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Eight IDF soldiers captured, taken to Syrian area

Jerusalem Post Reporter

TEL AVIV. — Eight Israeli soldiers were kidnapped on Saturday in the Bhamdoun-Sofar area east of Beirut and were taken in to Syrian-controlled territory, the IDF spokesman reported yesterday.

Israel asked the U.S. and the International Committee of the Red Cross to intercede for their immediate — and safe — return.

One such request was made by Defence Minister Ariel Sharon at a meeting in Jerusalem with Morris Draper, assistant secretary of state and U.S. envoy Philip Habib's top aide. According to a highly placed government source, Sharon said the soldiers were not engaged in any military activity across the lines and Israel knows they are alive.

The minister also asked to transmit a warning to their captors not to harm the soldiers. "Not one hair should be touched on their heads," Sharon stated.

An IDF source in Beirut said that it was not clear how the soldiers were kidnapped. But unfinished food found in their position suggests they did not post a lookout while they sat down to eat and were surprised by the enemy.

According to the spokesman's announcement, contact with an IDF lookout post north of Bhamdoun was lost on Saturday afternoon.

Another IDF unit sent to check what had happened found the position empty save for military equipment. "It seems the eight were taken prisoner," the report continued.

Throughout the day and night, army trackers searched the area. They found the footprints of the missing eight soldiers as well as the tracks of the people who had taken them prisoner. Those tracks led "across the cease-fire lines to the area under Syrian control," the IDF spokesman reported..

In another development, army bulldozers moved along the coastal road north of Uzai into West Beirut to clear the area of earth ramparts and mines.

The incident has caused some "nervousness" at the headquarters of the IDF force in the area and Chief of Staff Rav-Aluf Rafael Eitan went there yesterday.

Meanwhile, military sources in Tel Aviv and Beirut said they were not aware of any clashes between the IDF and the Syrian Army at Hada e-Jeba, 24 kilometres south of Tripoli, as reported yesterday on Damascus Radio.

The state-run Syrian radio said yesterday that three Israeli soldiers and one Syrian soldier had been killed on Saturday at 6.30 p.m. in fighting near the village, 56km. north of Beirut.

If confirmed, this would be the first time the Israelis have engaged either the Syrians or the Palestinians that far north.

Eight more settlements for Areas

By JOSHUA BRILLIANT
Jerusalem Post Reporter

The government and the World Zionist Organization yesterday decided to establish eight settlements in the West Bank and the Gaza Strip. So far, however, there is money for just three.

Accordingly, approval of five settlements was given "in principle" only, Deputy Agriculture Minister Michael Dekel said.

The decision was taken less than a week after U.S. President Ronald Reagan said Israel should freeze all settlement operations — the establishment of new settlements and the enlargement of existing ones — to help solve the Palestinian problem.

[The White House last night criticised the decision. Presidential spokesman Anson Franklin said, according to Reuter, that such activity could only raise questions about Israeli willingness to abide by UN security council resolution 242. See Shultz, below.]

Members of the Ministerial Committee on Settlements insisted their decisions were not taken to spite the president.

But Israel Radio reported that Prime Minister Menachem Begin said in a defiant letter to President Reagan: "Judea and Samaria will never again be the West Bank of the Jordanian kingdom." Reagan's proposal suggested linking the West Bank and Jordan and giving the Palestinians self-determination in the West Bank. "The plans were drawn up a long time ago," Deputy Prime Minister Simha Ehrlich said in his capacity as the Settlement Committee's chairman. According to an official report, he added: "This has nothing to do with President Reagan's document. The government has a basic standing policy regarding the settlement of

(Continued on Page 2, Col. 6)

Five die in fiery Arava van-bus collision

Jerusalem Post Staff

Five persons were killed yesterday and 40 injured — seven of them seriously — when a van travelling south on the Arava road collided head on with the early morning Eilat-Tel Aviv bus and both caught fire.

Rescue workers took nearly an hour to pull all the survivors from the charred wreckage and sent them to hospitals in Eilat and Beersheba by private cars, ambulances and an air force helicopter.

Police say the driver and sole occupant of the van, a Yael Daroma delivery truck carrying the morning newspapers from Tel Aviv to Eilat, must have fallen asleep at the wheel. Skid marks show that the van went out of control and into the lane of the oncoming Egged bus.

The bus driver apparently tried to avoid the van's collision course by driving off the shoulder of the road, but the van struck, killing the van driver, the two bus drivers and a passenger and setting itself and the bus on fire.

The driver of the van was Yossi Becher, 24, of Azor. Amnon Ben-Shahar, 49, of Eilat, was driving the bus and his co-driver was Shlomo Becher, 48. One bus passenger killed was Sara Yafet, 28, of Nahalat Yehuda.

One of the passengers who was moderately injured was Ron Becher, 20, son of the co-driver who leaves three orphans. Ron's mother died last year.

The four killed on the bus were trapped in their seats by the impact and at least some of them burned to death. The unnamed fifth person to die in the crash was badly burned and had not yet been identified last night.

One of the soldiers who escaped from the bus said he tried to use its fire extinguisher to fight the spreading flames, but it did not work. According to the soldier, he might have saved someone's life had the extinguisher worked.

The force of the crash apparently burst the van's fuel tank, spilling petrol over the newspapers, which soon caught fire. The flames spread rapidly to the bus.

A southbound truck driver who was first at the scene and summoned help with his radio told police that the van had passed him a short while before the accident occurred. He said the van had been going quite fast and was weaving across the road.

Passing motorists stopped to help and took some of the less seriously hurt directly to Josephtal Hospital in Eilat, about 60 kilometres away. An Israel Defence Forces helicopter arrived within 15 minutes to take the more seriously injured to hospital.

Five Magen David Adom ambulances arrived from the nearby settlements of Ketura, Tamar, Yahel and Yotvata and one ambulance came from Eilat with two doctors. The settlement ambulances

(Continued on page 5)



Lebanese army soldiers load ammunition, previously the property of the PLO, onto trucks in Beirut yesterday (UPI telephoto)

War considered over as PLO, Syrians ready to withdraw

By ASHER WALLFISH
Post Diplomatic Correspondent

The war in Lebanon can be considered over now that the U.S. has informed Israel that Syria and the PLO have decided to withdraw their forces from the rest of Lebanon following the evacuation of Beirut.

A senior official said this in Jerusalem while U.S. ambassador-at-large Morris Draper was meeting with Foreign Minister Yitzhak Shamir. Draper, who came down from Beirut where he serves as Philip Habib's chief aide, told Shamir that the talks on the final withdrawal of the Syrian and PLO units would start in the last week of September.

Draper goes on to Washington today to prepare for the second stage of negotiations and sum up the first stage which was completed last week with the evacuation of Beirut.

Draper said that Habib, already in Washington on holiday, would return to the region on September 23 to attend the inauguration of Lebanese President-elect Bashir Jemayel. Habib will come to Jerusalem the next day to get the second stage negotiations under way.

Draper, who saw Shamir along with Ambassador Samuel Lewis, said that the talks for the withdrawal of the Syrians and the PLO would be a long haul, but he was confident of their eventual success.

Syrian and PLO men are in two major concentrations in eastern and

(Continued on Page 2, Col. 2)

West Beirut citizens return to looted, damaged homes

By YOEL DAR
Jerusalem Post Reporter

BEIRUT. — Thousands of Lebanese returning to their homes in West Beirut yesterday found that they had been looted and severely damaged in their absence. However, they told *The Jerusalem Post*, they were happy to return home, even though they did not know whether they would be compensated for their losses.

Tens of thousands are reportedly still in the Bekaa Valley or South Lebanon, as they doubt whether the Lebanese authorities can guarantee law and order in the capital. Some 150,000 are estimated to have fled from West Beirut during the war.

Some of those crossing from West Beirut yesterday were arrested at roadblocks by Phalange soldiers, said to be looking for PLO terrorists. Generally the situation was calm, with many West Beirut residents visiting friends in the eastern part of the city for the first time in months.

The Lebanese army was continuing its negotiations with the leftist Mourabitoun militia to receive heavy weapons bequeathed to the leftists by the departing PLO last week. Official Lebanese sources hinted that the militia had only handed over a small proportion of the heavy weapons so far, and indicated that the army would collect the remainder of the equipment even if it had to use force.

Begin: 'IDF sacrifice unsurpassed in history'

By ASHER WALLFISH and DAVID RICHARDSON
Jerusalem Post Reporters

Prime Minister Menachem Begin said yesterday that the self-sacrifice shown by the Israel Defence Forces in the past three months had not been surpassed in this country for the past 40 years and more, nor had it been surpassed at any time in the history of mankind — although it might have been matched on rare occasions.

Begin said this in his opening remarks to a full-dress cabinet discussion of the Peace for Galilee operation. The debate is to continue next week.

Begin, like Defence Minister Ariel Sharon who followed him in the discussion, did not speak at length. Sharon said he would have more to say when the cabinet completes its summation of the operation.

Sharon said this was the first Israeli war which had come to an end without a dispute between the cabinet and the army.

In previous wars, he said, ministers on the one hand, and generals on the other, had conducted strident arguments. But the present unanimity was an achievement which the government could be justly proud of, he stated.

He said that Israel is the only country in the world which has declared an uncompromising war on terror. Its action could serve as an example for others to emulate, he suggested.

Reviewing cabinet involvement in decisions taken during the course of the fighting, Sharon said that all decisions were reached in a democratic manner.

Sharon said that by comparison with Israel's other wars, the hostilities ended relatively quickly in the Peace for Galilee campaign. The expulsion of the terrorists from Beirut was the outcome of courageous decisions by the cabinet, he said.

The absence of disputes between the political and the military echelons results from the fact that Sharon, as he said publicly, conceived the campaign 10 months ago: told the IDF what plans to prepare in outline; approved the plans personally after they were drawn up; supervised the operations in detail after the campaign was launched; and visited the various fronts several times daily.

(Another reason for the absence of disputes is the fact that Sharon himself was one of the senior officers involved in disputes with the political echelon in every previous war in which he took part.)

Most of the cabinet's time was taken up by briefings by Chief of Staff Rav-Aluf Rafael Eitan, IDF intelligence chief Aluf Yehoshua Saguy, Air Force chief Aluf David Ivri and Navy Chief Ze'ev Almog.

They accompanied their lectures with sheavss of maps, diagrams, charts and aerial photos.

Ministers were said to be most impressed by the report on the performance of the Air Force, which shot down some 90 Syrian planes in dogfights in which it lost none of its own planes.

(Begin wrote U.S. President

(Continued on Page 2, Col. 2)

Sharon: Beirut airport can open

Jerusalem Post Reporter

Defence Minister Ariel Sharon said yesterday that Beirut International Airport is ready to renew operations.

Sharon made the statement at a meeting with U.S. envoy Morris Draper in Jerusalem. The minister said Israel had cleared the area of explosives, a source told *The Jerusalem Post*. According to Israel Radio, Sharon said he expects flights to resume shortly.

However, a well-informed source said yesterday Israel does not intend to withdraw its forces from the airport and Lebanese sources said in Beirut last week they would not resume flights as long as the Israel Defence Forces remained.

The Israel Air Force has been flying Hercules transport planes from Beirut's airport, operating from a white, one-storey structure south of the main terminal. Some of its equipment is mounted on trucks, indicating it is designed for temporary field conditions.

At the main terminal building a Lebanese officer led this reporter to a porch and pointed at the IDF's makeshift terminal. "As long as the Israelis are there — the airport will remain closed," he said.

He confirmed that the runways were intact and said it would require a relatively short time to repair the terminal building and other installations.

Shultz calls new settlements 'an unwelcome development'

By WOLF BLITZER
Jerusalem Post Correspondent

WASHINGTON. — Secretary of State George Shultz yesterday called reports that Israel was about to establish three or four more new settlements "a very unwelcome development if it's so."

Appearing on the CBS News interview programme *Face the Nation*, the secretary at the same time insisted that the West Bank should become "totally demilitarized" no matter what its final status.

Regarding new settlements, Shultz said any additional settlement activity at this time "would not be consistent with peace in the area."

Asked what the U.S. would do to counter further settlement activity, the secretary replied: "We'll hold up the objective of peace before everybody." The more realistic the prospect, he said, the more likely it will start "to exert its own pressure on the area."

Shultz said President Ronald Reagan's request for a freeze on Israeli settlement activity actually meant "that the territory encompassed by the settlements be not expanded at all."

The secretary strongly defended Israel's concern for its security, especially because of the narrow nature of the pre-1967 lines. In this regard, he promised that any eventual border adjustments would have to include special security arrangements for the West Bank and Gaza as well as a total demilitarization of the area. "That's for sure," he said.

He said that Reagan had

(Continued on Page 3)

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Wimmer Jacobsohn Tamir

PLO studying Reagan plan on eve of today's Fez summit

TUNIS. — On the eve of today's Arab summit meeting in Fez, Morocco, the PLO yesterday announced after a preliminary study of President Ronald Reagan's Mideast peace plan it will continue studying the American proposals.

The PLO's executive committee, meeting under the organization's chairman Yasser Arafat, said after a 12-hour closed-door session the plan will continue being examined in all details.

PLO officials denied earlier reports from Tunis that the PLO leadership had rejected the U.S. plan.

The Kuwaiti news agency KUNA reported from Tunis that the PLO leadership had rejected the plan. Earlier, PLO sources in Damascus and in Tunis told the Associated Press that the plan would not be accepted.

High-ranking PLO officials declined to comment on the Kuwaiti report.

Several Arab states meanwhile have said they will withhold judgment on the plan until the PLO has announced a position.

"Perhaps the hasty Israeli rejection will give the Reagan plan an even better Arab reaction than it would have had otherwise," a high Moroccan official who requested anonymity told reporters on the eve of the summit.

Only two Arab nations will be absent from the three-day summit: Libya, which has denounced any discussion of a Middle-East peace, and Egypt, which was excluded from the Arab League in 1979 for signing the Camp David peace agreements with Israel.

Two Arab peace plans, but not the Reagan plan, are formally on the summit agenda: a modified version of the Fahd plan, which implicitly calls for general Arab recognition of Israel in return for evacuation of all Arab territories occupied since the 1967 war, the Arab sector of Jerusalem, and a Tunisian plan first put forward in 1965, which calls for Arab acceptance of a 1947 UN proposal to partition Palestine.

The Reagan proposals apparently were deliberately timed to have the maximum effect on the summit and to influence all discussion of the Saudi and Tunisian peace plans.

Moroccan sources said Reagan consulted both King Hassan and Jordan's King Hussein before delivering the speech outlining his proposals.

A U.S. official said yesterday that Washington hopes the Arab leaders will do one of two things — either empower Jordan to also represent the Palestinians in negotiations with Israel, or empower the PLO to pick Jordan to represent its interests.

Either course would be regarded as a "de facto recognition of Israel," the official said, since the negotiations would be held under the auspices of the Camp David formula, which incorporates UN Resolution 242. That resolution upholds the right of all nations in the region, including Israel, to live in peace behind secure borders.

Arab diplomats said the fact that the PLO leadership did not reject the American plan indicated that the moderates had prevailed over the more extreme Palestinian factions.

George Habash and Fayed Hawatmeh, leaders of the two most extremist Palestinian groups, con-

(Continued on Page 2, Col. 2)

The weather at major Swissair destinations

5.9.82

	MIN C	MIN F	MAX C	MAX F	
AMSTERDAM	11	52	22	72	Cloudy
BRUSSELS	12	53	24	75	Clear
BUENOS AIRES	12	53	20	68	Clear
CHICAGO	7	45	24	74	Clear
COPENHAGEN	11	52	20	68	Clear
FRANKFURT	10	50	27	81	Cloudy
GENEVA	11	52	24	75	Clear
HELSINKI	7	45	13	55	Cloudy
HONG KONG	27	81	31	88	Clear
JOHANNESBURG	8	46	18	64	Clear
LISBON	19	66	31	88	Clear
LONDON	13	55	24	75	Cloudy
MADRID	15	59	28	82	Clear
MONTREAL	11	52	20	68	Rain
NEW YORK	16	60	27	81	Clear
OSLO	-1	30	15	59	Clear
PARIS	17	63	29	84	Clear
RIO DE JANEIRO	16	61	30	86	Clear
SAO PAULO	16	61	28	83	Cloudy
STOCKHOLM	8	46	15	59	Clear
TOKYO	18	64	27	81	Clear
TORONTO	11	52	20	68	Clear
VIENNA	11	52	24	75	Clear
ZURICH	11	52	24	75	Clear

* For the latest weather conditions, contact Swissair

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THE WEATHER

	Yesterday's Humidity	Yesterday's Min-Max	Today's Max
Jerusalem	27	17—31	29
Golan	26	19—33	31
Nahariya	71	21—31	30
Safad	17	21—31	28
Haifa Port	73	25—30	30
Tiberias	20	23—39	36
Nazareth	32	21—34	31
Afula	—	24—35	32
Shomron	30	20—33	30
Tel Aviv	70	23—31	29
B-G Airport	47	22—33	31
Jericho	32	23—39	36
Gaza	73	25—30	29
Beersheba	22	18—36	32
Eilat	15	26—41	39

ARRIVALS

Yehuda Blum, ambassador to the UN, for consultations with the prime minister and foreign minister before the opening of the General Assembly sessions.

Histadrut Secretary-General Yeroham Meshel, from a mission to South America.

Freij calls on Arabs to support Reagan plan

By DAVID RICHARDSON
Jerusalem Post Reporter

Bethlehem Mayor Elias Freij last night called on the Arab leaders meeting today in Fez to bring Egypt back into the Arab camp and to support President Ronald Reagan's proposals for peace in the area.

"It is essential and imperative that Egypt go back to the Arab ranks. After the war in Lebanon and the war between Iraq and Iran it is clear that continued division has only adverse results on Arab interests in general and Palestinian interests in particular," the mayor said last night in an interview.

On Saturday Freij sent Reagan a cable supporting "your plan to find a comprehensive solution to end the suffering of the Palestinian people and to bring peace and security for all nations in the Middle East."

Within two hours the president sent a personal reply as follows:

"I wish to express to you my deepest gratitude for your message of support for the proposals which I outlined in my address on September 1. It is particularly important to have your endorsement of my approach to peace. You are not only a recognized and respected Palestinian leader, but you represent Bethlehem which has been a glowing symbol of peace and brotherhood throughout the world for the past 2,000 years. May God bless you and your efforts on behalf of your people and peace and security for all in the region.

Sincerely,
Ronald Reagan"

Freij said last night that the war in Lebanon should teach the Palestinians that there is no military solution to their problem foreseeable in the future and that "we can only rely on ourselves."

He warned that if the Arab leaders meeting in Fez did not support the Reagan initiative the Americans may become discouraged, and that would give Israel the opportunity to extend its law over the territories and take over all of the land."

In the end there would be nothing left to talk about," he warned.



Alain Poher, president of the French Senate, drinks a toast with Knesset Speaker Menahem Savidor at his hotel in Jerusalem last night. Poher arrived yesterday among a large group of pilgrims, including several former French parliamentarians. He said he was here in a private capacity and added: "I am a friend of Israel and I shall remain one."
(Yossi Zamir, Scoop 80)

Shamir: We'll look after ourselves in territories

By SARAH HONIG
Post Political Reporter

HOLON. — Foreign Minister Yitzhak Shamir said yesterday that while Israel appreciated American talk of guarantees, demilitarized territory and security arrangements, "we don't need any of these because we will remain in Judea, Samaria and Gaza. We will settle there and look out very well for our own defence requirements."

Shamir was replying to remarks made a few hours earlier by U.S. Secretary of State George Shultz in reaction to Israel's decision to set up three new settlements. Speaking before members of the local Herut branch, Shamir also accused the Labour party of "sabotaging Israel's diplomatic and defence struggle," declared that Israel would not annex the territories as long as "the other sides honour the Camp David accords," and came out against early elections.

Replying to Shultz, Shamir said: "As long as we are in Judea, Samaria and Gaza, there is no need for demilitarization, because we do not threaten the security of any state in the region. Demilitarization is necessary only in case of Arab rule. But anyone who knows the lay of the land in question knows that Judea, Samaria and Gaza cannot be demilitarized.

"This is not the Sinai desert, which can be easily patrolled and policed. Here you have houses, garages, groves and all too many hiding places," he said.

He went on to say that President Ronald Reagan — "whose friendship to Israel is not in doubt" — wrote in his letter that the Arabs would be responsible for security in Judea, Samaria and Gaza. The question is not only the security in those particular areas, but in all of Israel. It is only a matter of a kilometre here and there, and the whole country is too small for such risks, he said.

He continued: "This is not the first time the opposition sabotaged Israel's diplomatic and defence efforts because of its eagerness and impatience to return to power. But this is not how they will secure the votes of the electorate."

He discounted the notion of early elections in the wake of differences with the U.S. "This is the time for internal unity, for concentrating our energy and struggles with outside forces and not with each other. Elections will be held at the scheduled time," he said.

Agudat Yisrael sages call on Jews to boycott El Al

Jerusalem Post Reporter

TEL AVIV. — A boycott of El Al was declared yesterday by the Council of Tora Sages, the spiritual leadership of the Agudat Yisrael party. Two council leaders, Rabbi Eliezer Shach and the Admor of Gur, called on the Jewish public worldwide not to fly El Al and not to use its cargo services.

The council's decision derives from the "obstinate stand" of El Al's workers, "who insist on continuing to desecrate the Sabbath," Agudat Yisrael MK Menahem Porush said yesterday.

The "holy call" to boycott El Al is intended to decrease the number of El Al's passengers considerably during the next few weeks, a period when the airline's customers include many Jews coming to spend the holidays in Israel.

El Al's works committees said in response yesterday that the boycott would compel many Jews to use airlines which serve non-kosher food and fly on the Sabbath anyway. Works committees spokesmen Gabi Zaltzman said the workers hoped the public would support El Al despite the pressure of the Council of Sages.

"We believe the public will not be persuaded by boycotts and coercion, and understand at last the truth behind the motives of the ultra-orthodox leaders," he said.

U.S. Jewish leaders not adopting uniform position

WASHINGTON. — The Conference of Presidents of Major American Jewish Organizations does not intend to take any positions on such sensitive issues as the creation of additional Israeli settlements in the West Bank and Gaza or on the nature of the final status of those territories.

This was made clear by Julius Berman, chairman of the umbrella Jewish organization, who yesterday noted that the 36-member body includes such politically disparate organizations as the Labour Zionist Alliance, Pioneer Women, the American Jewish Committee and the American Jewish Congress, on the one hand, and, on the other, Herut, the Zionist Organization of America and some Orthodox groups which support Gush Emunim.

Berman, who led a delegation of Jewish leaders to a meeting with Secretary of State George Shultz last Thursday, emerged from that session to tell reporters that President Ronald Reagan's plan was "not constructive" — although it contained certain positive steps. He had two complaints: One, it altered the earlier U.S. role of an "honest broker" by taking positions on the most sensitive issues; two, it telescoped America's final positions in the proposed negotiations, rather than allowing the talks to continue step by step.

Berman, in an interview, insisted that the Presidents' Conference as a whole was united in supporting this stance. He conceded, however, that there were differences within the organization on the other contentious issues.

Other Jewish leaders said the divisions within Israel over the Reagan plan were spilling over into the American Jewish community — a fact well known to the Reagan Administration.

Histadrut-gov't wage talks deadlocked

Post Economic Reporter

A meeting between the Histadrut and public employers to discuss early wage increases for public sector employees ended yesterday without agreement.

The Histadrut delegation, headed by Yisrael Kessar, chairman of the labour federation's trade union division, was demanding an advance which would amount to 14 per cent of the coming rise in public employees' salaries, now under negotiation.

Finance Ministry Director-General Ezra Sadan refused the Histadrut demand and would not agree to more than 11 per cent advance.

After the meeting Kessar said that if no agreement is reached soon all trade unions in the public sector will be free to choose the ways they think best to win the advance increase in wages.

Kessar called upon the employers to reach an agreement promptly. The negotiations have been going on since last April and public employees must have a suitable advance before the High Holydays, he said.

Another meeting of the two sides is expected later this week.

WAR OVER

(Continued from Page One)

northern Lebanon. Their total number is believed to be over 20,000.

The senior Israeli official, who may not have been aware that eight IDF soldiers were abducted near Bhamdoun on Saturday afternoon and taken across the Syrian lines, said that the front was generally quiet, apart from isolated incidents, and the cabinet expected no further fighting in Lebanon.

The official said that military action would not be required to bring about the Syrian and PLO withdrawal from eastern and northern Lebanon.

He said his assessment was based, among other things, on the absence of any hostilities initiated by the Syrians in recent days.

On the civilian scene, Draper told Shamir that the face of Beirut was rapidly changing since the evacuation ended last week. Normality is fast returning to the city, he said.

Draper, who also met Defence Minister Ariel Sharon, said the U.S. contingent of the multinational force would leave Beirut in about five days, while the French and Italian contingents would leave in nine or 10 days.

Draper said the U.S. Marines were expected to leave Beirut by air, and Sharon assured him that efforts were being made by the IDF to get the Beirut international airport into full operation by then. All the unexploded shells on the runways had been removed, he said.

Sharon also told Draper that the IDF would help the Lebanese army remove roadblocks and other barriers separating the two halves of Beirut. Sharon said he hoped Israelis would soon be able to move without danger in West Beirut as well as East Beirut.

At yesterday's weekly cabinet session Prime Minister Menachem Begin laughed off the reports of his alleged meeting after midnight on Wednesday in Nahariya with Lebanese President-elect Bashir Jemayel. This despite the fact that he is known to be furious about the leak.

Industry Minister Gideon Patt asked Begin why press publication of the report was not stopped after the prime minister's remark at Thursday's cabinet meeting, that he had not slept much the night before because he had to see somebody. "How do such reports get out?" Patt asked.

Begin smiled and said, "When a man tells you he didn't sleep much the night before, you don't ask him why."

Patt replied, "I want to know whether the press censor was asleep."

One Foreign Ministery source, queried by *The Jerusalem Post* for reaction to the leak, first tried to argue that the meeting never took place, but then admitted that the episode was "a scandal."

Shamir, at the cabinet, gave a brief survey of initial reactions abroad to the Reagan plan and Israel's rejection of it.

Begin noted that a handful of American Jewish leaders had commented favourably on some of Reagan's proposals. "There is a debate over there, but even though some are courageous and others are timid, the decisions are taken by this Government right here in Jerusalem," he said.

The prime minister also said that his assessment had been that the U.S. administration would not issue any proposals on the autonomy negotiations until after the congressional elections in November, but as things turned out he had been wrong.

Concern expressed for future of Nahal

TEL AVIV. — The kibbutz movements are to meet with IDF officials later this week to discuss the future of Nahal (Fighting Pioneer Youth), the programme in which soldiers spend part of their military service working in rural settlements.

Yesterday spokesmen from all the kibbutz movements voiced concern that the government is planning to change the nature of Nahal, or even do away with it.

Eli Zamir, the secretary of Takam (the United Kibbutz Movement), affiliated with the Labour Party, said that if this is found to be the case, they would initiate a public protest.

PLO STUDYING

(Continued from Page One)

demned the Reagan plan after meeting Syrian leaders in Damascus.

Arab government sources have said that Arafat's decision to attend the summit underlines his wish to discuss a Middle East peace plan, which is the focus of the Arab League summit in Fez. The PLO is a member of the league.

Despite some warm noises emanating from a few of the more moderate Arab capitals with regard to the American proposals, Syria has rejected them outright.

At a four-hour meeting Saturday between Syrian President Hafez Assad and the leadership of the major factions within the PLO, it was decided to confront the U.S. poposals head-on and push for a new Arab strategy that would define the role of each Arab party and how their commitments would be fulfilled. (AP,UPI).

Studios, villas on sale at 'home bazaar'

Hundreds of new housing units in Jerusalem and vicinity, from one-room studios to 7½-room villas and luxury penthouses, go on sale in Jerusalem's Binyanei Ha'uma this afternoon.

The units, some of them already completed, are being offered by 15 large building contractors in the annual Home Bazaar sponsored by the Israel Building Centre, a government corporation affiliated with the Ministry of Housing and Construction.

The residences being offered are displayed in separate pavilions of the 15 building firms, some of them privately owned and others, public bodies. In addition, mortgage banks have stands to arrange on-the-spot financing and there is an information counter providing mortgage information for couples entitled to government housing benefits.

Among the features of this year's Home Bazaar is a selection of housing units designed especially for disabled persons.

MORE SETTLEMENTS

(Continued from Page One)

Eretz Israel, and that is not influenced by foreign documents.

"The settlement of Eretz Yisrael," he added, "is not being made for provocation. The declared policies of the U.S. president do not encourage us to increase settlement."

Another well-placed source, who asked not to be identified, told *The Jerusalem Post* that the date for yesterday's meeting and the agenda were set three weeks ago.

Tehiya MK Hanan Porat — a member of the joint committee — joined the drive to quash any idea of a link between the Reagan letter and the new settlements.

Speaking from Gush Emunim headquarters in Jerusalem, Porat told *The Post* that Israel should not bow to Reagan's suggestions but should also not plunge into unnecessary zealousness.

The three settlements where actual work is to begin are: Susia, in the southern sector of Mount Hebron; Kochva, south of Gush Etzion; and Gilad, northwest of Jenin. A government source said IS20 million have been earmarked for each of the three to settle 50 to 60 families in the first stage.

The committee also decided, in principle, to establish Negohot, Adora, Omarim and Yakin in the southern area of Mount Hebron, where Jewish settlement is relatively sparse. A settlement will also be established in the northern Gaza Strip for former Yamit residents.

Some of these sites — Negohot, Adora and Yakin — have been occupied by Nahal units as a prelude to civilian settlements, *The Post* was told.

Three other agricultural settlements — Beit Mirsim, Eshkolot and Yatir Gimmel, also in the southern sector of Mount Hebron — were not approved yesterday as the government and the WZO have yet to discuss land and water allocations for them.

IDF SACRIFICE

(Continued from Page One)

Ronald Reagan yesterday that Israel downed 102 Syrian Mig fighter planes. The IDF spokesman told *The Jerusalem Post* last night the total was 86 planes plus six helicopters.)

Eitan reported among other topics on civilian and PLO casualties, saying there had been "much exaggeration" in Lebanese and foreign reports. The damage in Beirut had also been grossly overplayed, he said. Of the 37,000 buildings in the city proper, he said, only a few dozen had been destroyed.

Ministers were told that ground targets for aerial attack were chosen with extreme care in Beirut proper, which lies north of the main boulevard, Corniche Al-Mazraa.

However, south of the boulevard where terrorist installations were mainly concentrated, the damage by air action was much heavier, they were told.

BEGIN'S MESSAGE

The following is the text of Prime Minister Begin's address.

Gentlemen, Operation Peace for Galilee, an illustrious, historical campaign, has effectively ended in a total victory for Israel.

I want to express, on behalf of the cabinet, my appreciation to the minister of defence, the chief of staff, the O.C. northern command, the deputy chief of staff, the head of operations, the director of military intelligence and all of the services — air, sea and land — to all of the commanders, all of the soldiers, all of the units, for the great deeds they performed in the course of the last three months. They have brought honour to the nation of Israel. With Hebrew weapons, they have demonstrated the immeasurable deterrent power of the IDF against any enemy. I believe they have repelled, for an indefinite period, any attempt to attack us from any quarter and have guaranteed, in essence, peace for Israel for many years. No one will take away from us the fruits of the victory. The fruits of the victory will be ours — we will see to it.

We have paid a very high price. The cabinet expresses, once more, the full-hearted gratitude owed to the profound heroism displayed by the bereaved families. I think that it is not only the sons who fell who were heroes and martyrs, but also their families, some of whom called upon us, saying, at the height of the fighting — and I read these letters with my own eyes — yes, we have suffered a loss, a son or husband, but continue fighting, stay strong; and other reassuring and comforting expressions like these were sent to us by the mourners themselves. This was one of the greatest manifestations of self-sacrifice in our nation, and this phenomenon guarantees our future.

We know that there were exceptions, but in truth they were few in number. The IDF, too, stood the test and measured up with great success.

The cabinet expresses its appreciation to all arms of the IDF, to all of the services. The Air Force performed great and wonderful things. So too the Navy, which did great and wonderful things. So too the ranks of the armour and the artillery. There are those who say that the superiority of American weaponry over Soviet weaponry was demonstrated. This is an untrue statement. The truth is that the superiority of American and Israeli weapons over Soviet weapons was demonstrated — and, above all, the superiority of Jewish intelligence and the Jewish spirit over all of our enemies, including the supporters of our enemies, was proven. This is what was proven in this battle.

We still have in our possession inventions that no one else has, and this is a result of the Jewish thinking and preparedness for sacrifice that was revealed in the past three months. There has been nothing more sublime than this from the time Jews, weapons in hand, went out to battle for the freedom of their nation more than 40 years ago. There was never more supreme sacrifice and lofty heroism in the history of humanity; certainly, very rarely has there been anything similar.

In all of this we are blessed and proud, and we shall know what a great privilege it is to be the Government of Israel in these days and to command such an army.

IDF seized Soviet radar system

Jerusalem Post Staff

Israel captured a Soviet-made SAM-9 missile radar system during its invasion of Lebanon, the IDF spokesman has disclosed.

The captured system was likely to provide a key to the development by Israeli and western military experts of equipment to deter the missiles, experts say.

The radar, part of a Syrian deployment of SAM missiles in Lebanon, was discovered by Israeli troops when they cleared out a Palestinian terrorist ammunition dump near the town of Damour, south of Beirut, the spokesman said.

Four suspected of smuggling drugs

Jerusalem Post Reporter

HAIFA. — Four residents of Kiryat Ata were remanded in custody by the local magistrate's court yesterday on suspicion of smuggling dangerous drugs into the country from Holland. Police said the four had received parcels of heroin and hashish.

Yosef Pinto, 25, was ordered held for 25 days, his wife Shulamit, 21 for eight days, Yosef Amur, 72 was remanded for seven days and his son Mas'oud for 15 days.

Festival Diary

Unpredictable, goofy ballet

By DORA SOWDEN

The dancers of the Twyla Tharp Company left no doubt last night in Jerusalem's Binyenei Ha'uma about the excellence of their dancing. Whether fast and serious, or slow and soft, their movements were always incredibly defined and quite stunning.

What was left controversial — a word much used in discussing Twyla Tharp — was the choreography. It could be unpredictable, goofy, startling, clever; and it could be jazzy, jivey, jolly and joyful.

What it seemed to lack was heart. The technical style was obviously thought out with ingenious originality, but until the last ballet, it left the feeling, "So what?"

Nevertheless, this was a show so much worth watching and arguing about that it may prove to be the most discussed event of the Israel Festival.

Varied fare from American Theatre

By MARSHA POMERANTZ

At the Jerusalem Theatre yesterday it was Bloody Mary first and strawberry mousse for dessert — served by the American Repertory Theatre demonstrating its impressive range in the kitchen.

In the afternoon we had Ken Auletta's *Rundown*, a fierce confrontation with the effect of the Vietnam War on those who fought it and those who didn't. Bill Foeller directed and Stephen Rowe was a strong lead.

In the evening there was *Sganarelle*, variations on Molière's farces, directed with a light hand by André Serban.

(More Festival reviews — page 5)

PRISONS. — A 25-nation prison organization for the exchange of knowhow in prison-related issues will start its work next summer. Prisons Service spokesman Shimon Malka said last week. The idea was proposed by Prisons Commissioner Mordechai Wertheimer when he attended a prison services convention in the U.S. last month.

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Yitzhak Persky dies aged 84

Yitzhak Persky, father of Labour Party chairman Shimon Peres, died in Tel Aviv on Saturday night. He was 84.

Persky was born in Volozhyn, Russia, on May 15, 1898 and arrived here in 1932.

In 1940 he was one of the first volunteers to the Palestine Royal Engineers unit of the British Army. He served in the Western Desert and at Tobruk, and was taken prisoner by the Germans in Greece.

He succeeded in escaping and spent a whole year fighting with Greek partisans in the mountains. He was later imprisoned in a prisoner-of-war camp near Auschwitz.

Persky became a member of the Stalag escape committee and worked closely with the famous Charles Coward, known as "The Count of Auschwitz."

Together they established contact with doomed Jews in the neighbouring death camp and organized the escape of some 400 Jews from there. Persky once saved Coward's life. They met again when Coward planted his tree in the Avenue of Righteous Gentiles in Jerusalem in 1962.

He finally succeeded in escaping shortly before the end of the war. He served with General Patton's forces and won a citation for bravery.

Persky is survived by his two sons, Shimon and Gershon, a building contractor.

The funeral will take place today at 11 a.m. at Tel Aviv's Kiryat Shaul cemetery.

With deep anguish and sorrow, we mourn the sudden passing in the USA of our son and brother

PHILIP ISAAC RESNIKOFF ז"ל

The funeral will take place on Tuesday, September 7 at 1.30 p.m. at the Eretz Hahayim Cemetery, Har Tuv.

A bus will leave at 12.30 p.m. from the family home at 68 Hapalmach St., Jerusalem.

Violet and Bernard Resnikoff
Seth and Judy Resnikoff, Israel
Diane and Rabbi Philip Field, USA

In deep sorrow we announce the passing of

LOUIS CHISSICK ז"ל

The funeral will take place this afternoon (6.9.82) at the Herzliya cemetery. Please ascertain time by phoning (03) 293105 or 293106.

Kathleen Chissick
Naomi and Kim Chissick
Sarah and Jonathan Chissick
Odile and David Chissick
and the grandchildren
Fanny Schiff and family

The Staff of the Israel Office of the American Jewish Committee join

Dr. and Mrs. M. Bernard Resnikoff

in mourning the passing of their son

PHILIP ISAAC

Funeral at Eretz Hahayim Cemetery, Mifgash Shimshon, Tuesday, September 7 at 1.30 p.m.

A bus will leave the Resnikoff residence, 68 Hapalmach Street, Jerusalem at 12.30 p.m.

هكذا من الأصل

Jerusalem helps Arab neighbourhood help itself

By ABRAHAM RABINOVICH
Jerusalem Post Reporter

Working by the light of lamps strung outside their houses, residents of the small Arab neighbourhood known in East Jerusalem as Ein Iloza laboured until midnight last Friday building a road and support walls. Virtually the entire community participated — elderly men, women and children moving stones and carrying pails of cement.

The project, one of a score such projects presently underway in East Jerusalem, is a joint effort by the municipality and local residents to overcome chronic budget deficits through self-help enterprise.

"We're providing the cement, gravel and planning," said a municipal official during a tour yesterday of the neighbourhood, South of Silwan in the Kidron Valley. "They're providing the work."

Mayor Teddy Kollek, talking to residents of Ein Iloza, said, "I'm ready to send all the residents of Jerusalem here to take this as a model."

Half the IS400,000 cost of the project is being met by the municipality and half by the residents, including the cost of buying the land needed for the road.

If these projects were left to conventional municipal budgeting, said Maurice Zilkha, Kollek's adviser on East Jerusalem affairs, it would be years before they could be carried out.

The idea of self-help projects is not new in Jerusalem, said Kollek. It had been used by the British and Jordanians but Israeli bureaucracy had been unable to come up with a legal basis for such joint efforts until municipality lawyers two years ago worked their way through the loopholes of the law and figured out how it could be done through local committees.

"The advantages are tremendous," said Kollek. "Beyond the financial savings there is the closer relations with the people." In addition, there is a closer relation between the residents and their environment. "This road they have built with their own hands."

While the municipality continues to execute some projects in East Jerusalem entirely on its own, said Zilkha, most projects in the area are joint efforts. The sprawled nature of much of East Jerusalem gives low priority to municipal efforts since money invested in roads or sewers serve far fewer people than in more densely settled parts of the city. In joint efforts, the local community provides up to 50 per cent of the total cost, but often considerably less.

The total cost of these projects is sometimes a quarter or less of what they would be if given out to conventional bidding by contractors, since the residents do the work themselves.

Talking to the residents of Ein Iloza yesterday, Kollek thanked them for their personal efforts to improve their neighbourhood. "This is not all common in our time when everybody is accustomed to demanding things from the government and municipality rather than doing things for themselves."



Five Israeli dogs this week shared first place with a team of South African dogs in a working dogs' competition held by the Goldfields Kennel Club in South Africa. The team, headed by army dog trainer Moshe Engleberg, was flown to South Africa by the competition's sponsor, Dogmor dog food manufacturers. The animals competed in such skills as controlled search, agility and scent discrimination. The team, which received wide media coverage in South Africa, is due to return to Israel tomorrow. In the picture, Avi Trasikant urges on his giant schnauzer Zed as he leaps through a triple fire hoop in training preceding the team's departure.

(Report by Michal Yudelman, picture by Israel Simionsky, Israel Sun)

U.S. media play up split in Israel over Reagan plan

By WOLF BLITZER
Jerusalem Post Correspondent

WASHINGTON. — An editorial in *The Washington Post* yesterday welcomed the prospects of a full-scale debate between the Likud-led government and the opposition Labour Alignment.

"Such a debate is the only conceivable way Israel can equip itself to deal with change, and it is a major achievement of the Reagan address to provoke it. It is no surprise to find Labour leader Shimon Peres seizing the issue. The American proposals offer a responsible alternative to the Begin policies, and they are grist for the mill of a responsible opposition party, especially one like Labour that believes strongly the Likud coalition has weakened one of Israel's basic security supports, the American connection," the editorial said.

President Ronald Reagan continues to receive generally favourable press reviews on his Middle East peace plan, including from some of Israel's traditionally best friends in the U.S. news media. "Reagan has put the burden of the first and most fundamental movement on (Jordan's King) Hussein," wrote syndicated columnist George Will. "Only (Prime Minister Menachem) Begin can remove Hussein's burden, by precipitous and wholesale rejection of Reagan's approach," he added.

Another columnist, Joseph Kraft, charged that Israel's refusal to live up to the spirit of the Camp David accords actually made the Reagan proposals inevitable.

"The government of Menachem Begin, however, has made a mockery of the Camp David guarantee of 'autonomy' for the Palestinians," he said. "It has maintained an increasingly tough occupation in the West Bank and the Gaza Strip. It has relentlessly driven Jewish settlements into the heart of overwhelmingly Arab towns. It has deposed elected officials, and blustered about outright annexation of the whole territory."

Kraft insisted that the Reagan proposals are a "favour to Israel." They represent "the best offer any Israeli government is ever likely to get from an American president."

Washington Post writer Lawrence Meyer went one step further: "President Reagan's Middle East proposals," he said, "are the opening shot in the campaign to pry Menachem Begin from power.

"The tactical brilliance of Reagan's plan to get matters off dead centre was that it isolated not the State of Israel, but its present government. For that reason, the proposal will gain support from that part of the American Jewish community that wasn't enthusiastic about Begin in the first place."

Savidor to U.S. as guest of Congress

Post Knesset Reporter

Knesset Speaker Menachem Savidor is due to leave today for a two-week trip to the U.S. as guest of the Speaker of the House of Representatives, Thomas P. O'Neill.

Savidor's schedule includes appearances before the House and Senate foreign affairs committees, a meeting with the leaders of Christians for Zion, receptions by New York Mayor Edward Koch and by Congressman Robert Dornan of California, who visited here last month.

Savidor will also address assemblies of the Aliya Movement of the Zionist Organization in Washington and New York, deliver the opening lecture of the season at the Herzl Institute in New York, and appear on television.

AWARD. — Ora Arad, a girl soldier of Yemenite origin, has been given an outstanding student's award for German studies by the Kfar Sava Goethe Institute, sponsored by the German Embassy.

Executive moves due at TV, army radio

By JUDY SIEGEL
Jerusalem Post Reporter

Galei Zahal director Zvi Shapiro is to be named programme director of Israel TV, and TV defence correspondent Ron Ben-Yishai is to replace him at the army radio station, *The Jerusalem Post* has learned.

Shapiro's appointment was made more certain over the weekend when the TV staff council decided to withdraw its opposition to it. The council had resisted his appointment since he won the Broadcasting Authority's tender for the programming job last January.

TV staffers had been opposed to Shapiro because he came from outside TV House. The council reportedly dropped its opposition in view of the operating problems in the department caused by the lack of a regular head of programming.

Ben-Yishai, who was offered the Galei Zahal directorship by Defence Ministry officials, said that he would not fight for the job if it meant pushing Shapiro out. Talk of replacing Shapiro coincided with reports of "witchhunts" by Defence Minister Ariel Sharon against Galei Zahal staffers.

Aharon Papo, a Likud representative on the Broadcasting Authority board of directors, intends to call for a new tender to fill the position of TV programming director, citing newspaper stories that alleged Shapiro has a "Hashomer Hatza'ir background." But an authority source asserted yesterday that Shapiro won an official tender that cannot be revoked.

Jerusalem municipality warning after rabid fox killed

A rabies-infected fox was killed by patrol dogs yesterday at Jerusalem's Atarot Airport. A municipality spokesman said reinforced teams of the Veterinary Service would be patrolling the area.

The municipality warns all dog owners in the vicinity of the airport to follow regulations concerning leashing and muzzling their pets, and to make sure the animals are vaccinated.(Itim)

Sharon 'demands arms for information'

By WOLF BLITZER
Jerusalem Post Correspondent

WASHINGTON. — Israel is said to be refusing to hand over military intelligence gathered in Lebanon to the Americans until the U.S. lifts sanctions on two major arms shipments.

Writing in *The New York Times*, diplomatic correspondent Leslie Gelb said that since the fighting in Lebanon the U.S. has withheld formal notification to the Congress of an additional 75 F-16 fighters to Israel.

Washington has also suspended delivery of cluster bombs to Israel, and, late last year, following Israel's decision to extend its law to the Golan Heights, the U.S. suspended implementation of the joint U.S.-Israel memorandum of understanding on strategic cooperation.

Gelb said that Defence Minister Ariel Sharon had informed Defence Secretary Caspar Weinberger during a visit here two weeks ago that Israel would delay making the intelligence available to the U.S. until those American sanctions were lifted.

After noting that previous Israeli sharing of military intelligence with Washington was considered useful by the Americans, Gelb went on to quote former Nixon administration officials as saying that "Israeli military intelligence provided after the 1973 war was dwarfed by the data that President Anwar Sadat of Egypt later provided."

SHULTZ

(Continued from Page One)

deliberately and personally inserted several passages into his Middle East speech last week to underscore U.S. concern for Israeli security.

Shultz cited the following passage, included in Reagan's speech as a last minute insert: "In the pre-1967 borders, Israel was barely 10 miles wide at its narrowest point. The bulk of Israel's population lived within artillery range of hostile Arab armies. I am not about to ask Israel to live that way again."

The secretary yesterday elaborated on that concern for Israeli security. He said security has been a concern of Israel "and rightly so." He continued: "If you are a very small country and you are surrounded by hostile states — states that say that they don't agree with your existence — you're bound to worry about your security. It's very natural."

Shultz balanced his support for Israel's security concerns with a strong defence of Reagan's Middle East peace plan. The secretary expressed hope that Israel would reconsider its initial rejection, adding that support from Jordan and other Arab states would, of course, go a long way toward winning a more positive Israeli response.

A favourable Arab response would in itself result in automatic pressure on Israel to change its position, he said, insisting that Washington had no plans to use U.S. economic and military assistance as leverage on Israel.

Shultz also strongly denied that the Reagan plans were advanced to try to help the opposition Labour-Mapam Alignment topple Prime Minister Menachem Begin's government.

"No," Shultz said, "absolutely not. The construction of the government of Israel and who is to represent the people of Israel is the business of the people of Israel. We don't have any views on that. That's their business — not our business. The president's proposals were designed to put forward things that he thought were just and fair and likely to help bring about a negotiation and a peaceful result in the area. That was the standard by which he judged what should be put forward."

Shultz also said that the U.S. Marines will leave Beirut as scheduled on September 10. Despite some recent righting involving Israeli forces, "I think that everybody is ready for peace at this point." Shultz said it was absolutely essential for a strong central government in Lebanon to emerge. He once again welcomed the prospect of a peace treaty between Lebanon and Israel. It would be "very desirable," he said.

On the subject of arms supplies to Israel, he added that President Reagan will decide when to go forward with the sale of an additional 75 F-16s to Israel. Shultz said it would be inappropriate for Israel to hold up the sharing of intelligence information from the recent fighting in Lebanon in exchange for a release of the F-16s. "I don't think you set up that trade," he said, making no commitment when the F-16 sale will be made. The secretary did say that the U.S. expects to "learn a lot" from Israel about the recent war.

Experts trying to block huge oil slick in Kishon

Jerusalem Post Reporter

HAIFA. — Pollution experts are drawing up plans to prevent a large oil slick, moving slowly down the Kishon River, from reaching the sea at Haifa Bay and spoiling beaches.

Officials from the Environmental Protection Service and contractors visited the site yesterday to map out their campaign. They hope to stop the slick — containing an estimated 10 tons of crude oil — at a narrow point of the river where it can be reached from the bank by bulldozers and cranes that would scoop it up for loading onto trucks.

The cause of the slick, which is believed to have originated several kilometres upstream near an industrial area, is being investigated.

Lahat: TA police not doing their job

By MICHAL YUDELMAN
Jerusalem Post Reporter

TEL AVIV. — The Tel Aviv police have failed to perform their duty in keeping law and order, Mayor Shlomo Lahat charged after waiting an hour for the police to open the Galil school in Neve Zahal and to prevent protesting local parents from blocking the school's entrance. The parents launched their action since the opening of the school year last week.

"I will not fight with parents to maintain the law, it's the police's job to do that," Lahat said yesterday. He noted that the police have not intervened in the dispute between the city and the parents despite a court injunction forbidding the parents to disrupt studies in any way.

But Tel Aviv district police commander Nitzav Avraham Turgeman said he had never seen the court injunction, and that as far as he was concerned, no offence had been committed by the parents because the police had received no complaints.

"Lahat can't tell me what to do," Turgeman said in response to the mayor's charges. "According to my policy, we shall intervene only in case of a violent disturbance or damage to property."

The parents' committee of the Galil school yesterday announced they would continue to keep their children away from school until the city changes its decision to bus the quarter's first-grade pupils to a school in the Hatikva quarter.

Navon takes 200 chances in MDA lottery

Jerusalem Post Reporter

President Yitzhak Navon yesterday bought the first 200 tickets in the Magen David Adom annual lottery, which will end with a drawing for 24,207 prizes on November 9.

At a ceremony in Beit Hanassi, Navon was introduced to outstanding Magen David Adom volunteers of the past year.

The first-aid service has printed three million tickets — two million of them to be sent by mail to homes. Each ticket costs IS25, and the four-ticket booklet, which includes a bonus ticket for the drawing of a prize automobile, costs IS100. Among the top prizes in the lottery are 10 cars, three savings certificates worth IS100,000 and round-trip airline tickets to the U.S.

Navon, addressing the Magen David Adom volunteers, proposed that all candidates for drivers' licences be required to pass psychological and psycho-technic tests, in addition to the theoretical and practical driving exams.

A driving licence, Navon said, is like a licence for using a weapon, since a car is a potential killer. He also noted that pedestrians are not careful enough in crossing the road.

NEW LINE. — The Zim Carmel, a new container ship of the Zim company, arrived yesterday in Eilat Port on her maiden voyage on the new line between Eilat and ports in the Far East, mainly Singapore and Hongkong.



Max G.
after shave

ISRAEL BUILDING CENTRE — BY PRI'EL INFORMATION SYSTEMS

IT PAYS TO BUY AT THE HOUSING FAIR

82 HOUSING FAIR

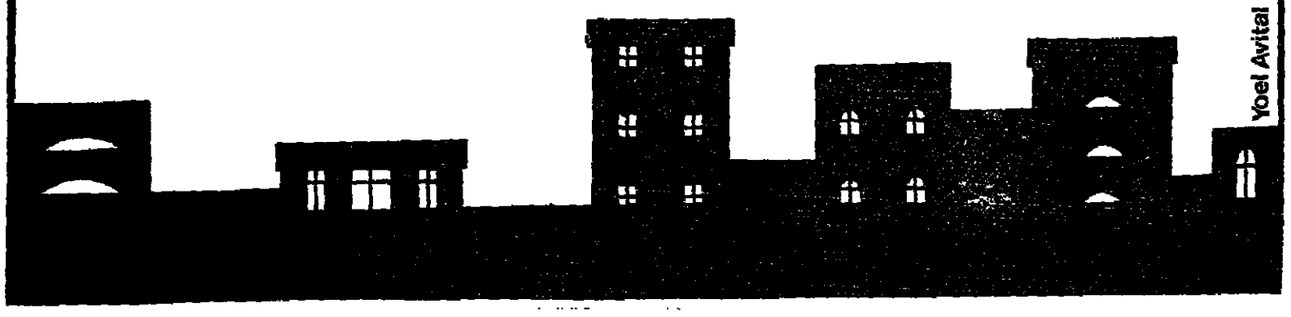
Participating Companies: Azorim Construction, Elram, Gad, Zacharia Drucker, Diur B.P. Solel Boneh, Israel Brothers, Hefziba, Yuval Gad, M. Aviv, Matityahu Lifshitz Mishab, Makom Batzameret, Ramet, Rassco, Sagy, Shikun Upituah, Bank Tefahot, Bank Leumi Lemishkanta'ot, Ministry of Construction and Housing.

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Yoel Avital

(Advertising Section)

THE INSIDE TRACK

A perceptive guide to shopping and services in Jerusalem

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Admission to a university in the United States depends on high scores on the S.A.T.'s. The test covers verbal abilities, written English and mathematics. It will be given in Israel four times, beginning in November. Highly competent, patient, professional former American teachers offer a 5 hour a week, 30 hour course. This, plus approximately 30 hours of work at home will thoroughly prepare a serious student for the test. Your particular problems will be analyzed and you will be given individual and abundant help. New, small classes start in October. Places are limited — register now. Fee — $180 (shekel equivalent) all materials included. Call Murray Safran — 02-812850.

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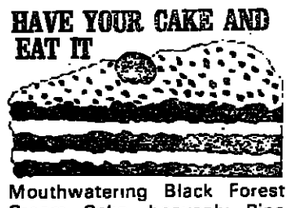
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China to abolish post of chairman

PEKING (Reuter). — The Chinese Communist Party, in another major blow to the prestige of Mao Tse-tung, has announced that it will soon abolish the top post of chairman and be led instead by a general secretary.

Party leader Hu Yaobang, who now holds both posts, told the 12th Communist Party Congress the chairmanship would be abolished under a new party constitution expected to be adopted late this week.

Chairman Hu also disclosed plans for a gradual but thorough purge of corrupt officials and extreme leftists from the party starting at the end of 1983. He said the "rectification campaign" would take three years to implement.

The news of the abolition of the chairmanship, the most symbolic action taken to reduce Mao's influence since the founder of The People's Republic died in 1976, was kept quiet for five days by the government-controlled media.

The New China News Agency said yesterday it was announced by Hu in a major policy speech when the congress opened last Wednesday.

What differences the changes will mean to the power structure will not be clear until a major leadership reshuffle is announced later during the 10-day meeting.

Chairman Hu said the standing committee of the Politburo would continue to exist but there was no indication of who would be on it.

This body is the party's "inner cabinet" and at present consists of the top seven in the hierarchy — the chairman and vice-chairmen, whose jobs are to be abolished.

He confirmed that the congress would set up a "central council of advisers" on which to place aging but still respected leaders who would withdraw from the front line to make room for younger and more able men.

Solidarity calls for full strike

LUBIN, Poland. — As thousands yesterday attended a solemn memorial mass for two local workers shot dead in last week's riots, the Solidarity underground called on area factories to gear up for a general strike protesting the deaths.

In the underground's first response to the nationwide riots that marked Solidarity's second anniversary Tuesday — and left four dead — fugitive activists called also for a moment of silence on September 9 to mourn the victims.

"We express the greatest admiration and respect for the working people of Wroclaw and Lower Silesia who, risking the loss of freedom health and life, took part in a great number of street demonstrations," said a statement by fugitive Wroclaw underground leader Wladyslaw Frasyniuk and two other underground activists.

The appeal served notice that the underground would keep up pressure on the authorities, who have branded the demonstrations a "fiasco" and categorically rejected dialogue with Solidarity leaders.

And the move could initiate a new chapter of more polarized and possibly more violent conflict between the underground and the authorities.

Lubin, a copper-mining centre of 68,000 not far from a big Soviet military base, remained tense but calm as beefed up security forces a maintained a low profile.

About 4,000 residents spilled out of the local church, whose walls were pockmarked by bullets from Tuesday's shooting, for a memorial mass for Mieczyslaw Pozniak and Andrzej Trajkowski, shot dead in the clashes.

Local sources said that in addition to the two dead workers, a third man, Jerzy Adamowicz, was in critical condition in a local hospital. Although many people claim five people died Tuesday, the authorities say there were two.

Many people attending the funerals for the two men Friday and Saturday wept openly, and a cross placed at Pozniak's grave said "He was killed by Zomo," or the riot police. Both funerals ended quietly.

The priest repeated the urgent appeal for calm issued last Sunday by Poland's bishops and read out in churches all over the country. "These words are still meaningful," he said. "An abyss between the authorities and the people is growing and there is urgent need for reconciliation."

He appealed to the congregation to bring bullets and cartridges they have found to the vicar's house in order to help military authorities conduct a complete investigation into the shooting. He promised the investigation would be "a fair one."

In Warsaw, General Wojciech Jaruzelski yesterday led those paying their last respects to former Communist leader Wladyslaw Gomulka, whose body lay in state in the Sejm (parliament) building. Gomulka died of cancer last Wednesday aged 77.

A file of mourners, most of them elderly men, walked past the simple wooden coffin bearing the body of the man who swept to power on a wave of popularity in 1956, but was ousted amid food price riots in 1970. (UPI, AP, Reuter)

OPEC body backs oil price rise

BAHRAIN (Reuter). — OPEC experts, meeting after Saudi Arabia warned that high-quality oil prices had to rise quickly if the kingdom was to continue defending the group's base tariff of $34 a barrel, have backed an increase of up to $2.30 a barrel, the Middle East Economic Survey (MEES) said yesterday.

The Nicosia-Based MEES said a majority of the Organization of Petroleum Exporting Countries expert committee thought the price of extra-light African crudes should rise to between $37 and $38.50 a barrel.

The committee, which met last week in Vienna, will recommend to OPEC's market monitoring committee in Abu Dhabi on September 20 that the differential — the price variation around the base price to allow for quality — should be increased on African crudes by $1.50 to $2.30 from $1.50 now.

CINEMA. — Pakistan may lift a 30-year-old ban on the import and exhibition of Indian films, Minister of Culture Niaz Mohammad Arbab said Saturday.

Douglas Bader, legless ace of the RAF, dies at age 72

LONDON (Reuter). — Sir Douglas Bader, Britain's legless fighter pilot who became a legend for his World War II exploits, died yesterday at the age of 72.

Bader lost both legs in a flying accident in 1931, but at the outbreak of the war he was back in the cockpit as the pilot of a Spitfire fighter plane.

He destroyed an estimated 30 enemy planes, of which 22 were officially confirmed, and escaped four times from German prisoner-of-war camps.

Bader's larger-than-life bravado helped to make him Britain's most famous pilot.

When he crashed doing acrobatics in 1931, a steward ran to the wrecked aircraft with a glass of brandy. Bader waved him away, saying he did not drink. Catching sight of Bader's mangled legs, the steward then gulped the brandy himself.

To the surgeon who later told him of the double amputation, Bader said: "That's all right, sir. I'll get some longer legs. I always wanted to be taller."

The legs he received actually made him slightly shorter. After many falls and setbacks he astounded everyone by not only walking unsupported, but by dancing, swimming and playing sports.

Eighteen months after the crash he was invalided out of the Royal Air Force (RAF). When war broke out in 1939, he badgered officials into letting him fly again.

On his first mission, flying a Spitfire over the Dunkirk beaches in northern France, he scored his first "kill", downing a Messerschmitt-109.

Collision with a Messerschmitt — which cut off the tail of his Spitfire — over France, in 1941, forced him to jump. However, his right leg caught in the cockpit and he was forced to bail out without it. He was then captured.

The Germans offered safe conduct to an RAF aircraft that would drop a replacement artificial leg. The offer was declined, but the leg was parachuted down during the next bombing raid.

Four times he escaped from his prison camp, but was always caught, and his captors then took his legs away each night. The Germans ultimately imprisoned him in the top-security Colditz Castle prisoner-of-war camp, where he sat out the rest of the war.

Bader was knighted in 1976 for his services to the disabled. After the war he became managing director of Shell Aircraft till 1970 and a salesman of aircraft equipment thereafter.

In August 1981, after more than half a century in the air, he was grounded because of a heart condition.

Bader was portrayed by British actor Kenneth More in the film *Reach for the Sky*, which told of his adventurous life. More, who became a good friend of Bader's, died earlier this year.

Police said Bader was rushed to hospital early yesterday after complaining of chest pains, but was dead on arrival.

Three big British unions back general strike call

LONDON (UPI). — Three major British trade unions yesterday announced support for an illegal general strike against Prime Minister Margaret Thatcher's Conservative government, which crushed several strikes by individual unions this summer.

The unions represent about 1.5 million workers. One union leader said it was the first time the powerful Trades Union Congress had called for a general strike against the government since 1926.

Joining the call for a September 22 general strike were the 350,000-member National Union of Mineworkers, the 900,000-member General and Municipal Workers Union and the 240,000-member Society of Graphical and Allied Trades.

"I hope every worker in Britain stops work," said Mineworkers' President Arthur Scargill. Other unions were expected to follow suit.

Thatcher's Employment Secretary Norman Tebbit, however, issued a fresh attack on the TUC. "What will these strikes do to help unemployment?" he asked sadly.

The general strike will be in support of the 1.2 million-member National Health Service Employees Union, which has staged periodic strikes throughout the year rejecting Thatcher's maximum 7½ per cent wage offer and demanding a 12 per cent pay increase.

The 1980 Employment Act, passed under the Thatcher government, forbids most such sympathy strikes.

Scargill, who said it was the first TUC call for a general strike in 56 years, acknowledged that sympathy strikes are illegal under present law.

Bill Keyes, general secretary of the print union, indicated his Fleet Street workers would support the general strike and said he would shut down the newspaper industry if any striking union member were put in jail.

The Sunday *Observer* said one in four British workers has been unemployed for a period during 1982, a year in which the jobless figures reached a post-war peak of more than three million.

London airport scene of near-miss

STANSTED, England (UPI). — A DC-8 jet trying to land in fog at a London airport with 68 people on board yesterday overshot a runway and collided with another plane, but then throttled upwards to land safely 240 kilometres away.

There were no injuries among the 68 or the two crew members aboard another DC-8 on the ground which was clipped in the accident, according to officials at Stansted Airport, located about 32 km. from central London.

The collision occurred when the pilot descended to "decision height" but apparently could not see the runway and then made a split-second judgement to take off again, a Civil Aviation Authority spokesman said.

The Intercontinental Airways DC-8 sustained undetermined damage but was able to make a safe landing at Manchester Airport. The tail fin was ripped off the DC-8 on the ground, said a spokesman for investigators.

Under British air safety regulations, pilots may descend without visibility using automatic controls, but eventually must be able to see the runway before they can land their aircraft. The lowest "decision height" is about four metres.

Mujahedin claims 100 assassinations

LONDON. — The Iranian people's Mujahedin organization said yesterday its guerrillas had killed more than 100 Revolutionary Guards in Teheran over the past week.

The Paris bureau of the left-wing underground resistance movement told Reuters by telephone that the guerrillas carried out at least 15 operations each day all over the capital.

The bureau said the Mujahedin's targets were what it called the regime's suppressive agents.

In London, the Sunday *Observer* said that Iran will soon bring its 23-month-old war with Iraq to an end because of internal economic difficulties and for a cash payment by Persian Gulf countries friendly to Iraq.

"The Iranians seem to be prepared to settle for a war indemnity, to be paid by the Gulf states, of about £91 billion ($156.5b.)," the newspaper said yesterday. (Reuter, AP)

Five persons killed by Bangladesh train

DACCA, Bangladesh (AP). — Five people sleeping on a railway track west of Dacca were run over by a passenger train and killed, the official Bangladesh news agency reported yesterday.

The agency said the accident occurred on Thursday near Bagphapa.

Sports

Noah happy close doesn't count

NEW YORK (UPI). — Continuing the series of dramatic games, surprises and near-upsets which has marked the early rounds of the U.S. Open tennis championships here, ninth-seeded Yannick Noah was forced to the very limits before he subdued an American teenager playing in only his second Grand Prix event.

"Everyone was expecting me to win this one very easy," Noah said with a big grin after he pulled out a 7-5, 6-7, 6-4, 3-6, 6-4 third-round victory over Eric Korita, a college student, who didn't even qualify for the main draw. Korita, ranked 335th on the computer to No. 10 for Noah, actually had a break point at 4-4 in the final set. But Noah won the next three points to hold serve and ended the three hour and 32 minute marathon with a break in the 10th game after Korita had saved two match points.

"When I had that break point I told myself I was just going to go for it," said Korita. "I felt I could hold my serve and win this match. I was that close, but close doesn't count much any more."

In stark contrast, third seed Ivan Lendl had the easiest of times disposing of Harold Solomon, winning 13 games in a row to post a 6-3, 6-0, 6-1 victory.

Others in the men's draw who have already clinched their places in the last 16 are Mats Wilander of Sweden, Bob Lutz and Gene Meyer, both of the U.S.

Among the women, a frustrated Pam Shriver tried her hand — or foot — at another sport. After whistling a forehand into the net the jovial Shriver promptly drop-kicked her racket in the same direction. "I missed the field goal," Shriver, 20, joked later, but for all her ineptitude as a footballer and occasional poor drives won through her third-round clash with Dana Gilbert 3-6, 6-2, 6-3.

Martina Navratilova the top seed and Tracy Austin (3) are through to the last 16. Others who have made sure of their places in the 4th round are Andrea Jaeger (4), Hana Mandlikova (5), Kathy Rinaldi (13), Virginia Ruzici (14), Andrea Leand (15), Zina Garrison (16) and Bonnie Gadusek.

Europe's best athletes are on go

ATHENS (Reuter). — The 1982 European Athletics Championships — the premier track and field event on the Continent — get off to a brisk start here today with the men's 10,000 metres final and Britain's multi-world record holder Sebastian Coe running in the 800 metres heats.

The 10,000 metres was brought forward from Thursday because there were not enough runners for heats, and looks set to be a battle between East Germany's Werner Schildhauer and Protugal's two top men Fernando Mamede and Carlos Lopes.

Athens' steamy September heat is expected to play a big part in the destination of the first medals at the new luxurious 80,000 capacity Olympic stadium just outside the Greek capital.

In New York, Tom Byers, normally noted more for his work as a pace-maker than for his fast times on the track, outkicked American record holder Steve Scott and won the prestigious Fifth Avenue mile.

Winfield slugs Yankees home

NEW YORK (AP). — Dave Winfield slugged his 27th homer with one out in the ninth inning to snap a 2-2 tie and power the New York Yankees to a 3-2 victory over the Kansas City Royals in Saturday's baseball action.

Left-hander Shane Rawley, 10-8, scattered six hits in eight innings, his fourth consecutive victory while the Royals' Larry Gura, 17-9, was thwarted in his bid to become the American League's first 18-game winner. The loss was only Gura's third in 12 career decisions against New York. Rudy May pitched the ninth for the Yankees, gaining his third save.

American League results: Seattle 4, Boston 3; Cleveland 4, Toronto 3; Oakland 4, Detroit 3; New York 3, Kansas City 2; Baltimore 8, Minnesota 0; Milwaukee 8, California 2; Chicago 4, Texas 0. National League: Philadelphia 4, Houston 2; Montreal 4, Atlanta 1; New York 3, Cincinnati 2; Pittsburgh 1, Los Angeles 0; San Diego 4, Chicago 1; San Francisco 5, St. Louis 4.

Caesarea golf

Post Sports Reporter

CAESAREA. — The week-end golf competitions were devoted to Individual Stroke Play Tournaments, divided into A and B divisions.

On Friday the A Division was won by Dick Fogelsman of Jerusalem with a 69 net. The B Division was won by Brian Fine of Raanana with a 73 net.

On Saturday the A Division was won by veteran Effie Been of Herzliya with a 68 net (75 gross). The B Division was won by a young Argentine immigrant, Claudia Perelmutter, of Haifa, with a 74 net.

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WEEKLY REVIEW

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Road to Peace?

Bold U.S. Plan Puts Arafat Center Stage

By HENRY TANNER

AMMAN, JORDAN

THE 15-man Executive Committee of the Palestine Liberation Organization met in Tunis yesterday to consider the Reagan plan for the Middle East. Yasir Arafat was in the chair and the international spotlight was on him once more. It was only four days after he left the ruins of Beirut and three days after he arrived to a statesman's welcome in Athens, a non-Arab capital he had chosen because he wanted to underline his distance from all the Arab regimes and his contempt for most of them.

That Arafat was determined not to simply fade away had always been known. But no one could have anticipated that he would get his chance to return to the center of the stage so soon, and as a result of an American initiative. Mr. Arafat's views and actions are likely to count as much for the future of the Reagan policy in the Middle East as those of Menachem Begin, Jordan's King Hussein and the Saudi and Egyptian leaders.


Baldev/Sygma
Yasir Arafat

Initial signals given by Palestinian spokesmen during the last few days make it seem that the P.L.O. will give a favorable if guarded response to the American proposals. Farouk Kaddoumi, who is the "foreign minister" of the Organization, said so within hours after Mr. Reagan spoke. So did Hattem Hussein, a Palestinian representative at the United Nations. Both are close to Mr. Arafat. More important, no out-of-hand rejections of the American plan have come from any of the hard-line Palestinian leaders. Several leaders in the West Bank who favor the P.L.O., including the Mayor of Bethlehem, Elias Freig, have welcomed the plan.

The Reagan declaration was welcomed by the Palestinians because it made the Palestinian issue the center of the conflict instead of simply a matter of refugees, and because it called on Israel to stop building new settlements in the occupied territories and to withdraw "on all fronts" as part of an exchange of territory.

Mr. Arafat has said that a federation between Jordan and an independent Palestinian state in the West Bank and Gaza was acceptable to him in principle. But the Palestinians are raising questions about Mr. Reagan's definition of "self-government," of "independent state" (which Mr. Reagan rejected) and of "association with Jordan." The Palestinians were expected to hedge their response until they received clarification on these points.

Mr. Arafat has been urged by the Egyptians and others to make a dramatic gesture and proclaim the P.L.O.'s recognition of Israel. But even the most optimistic do not expect such a gesture soon.

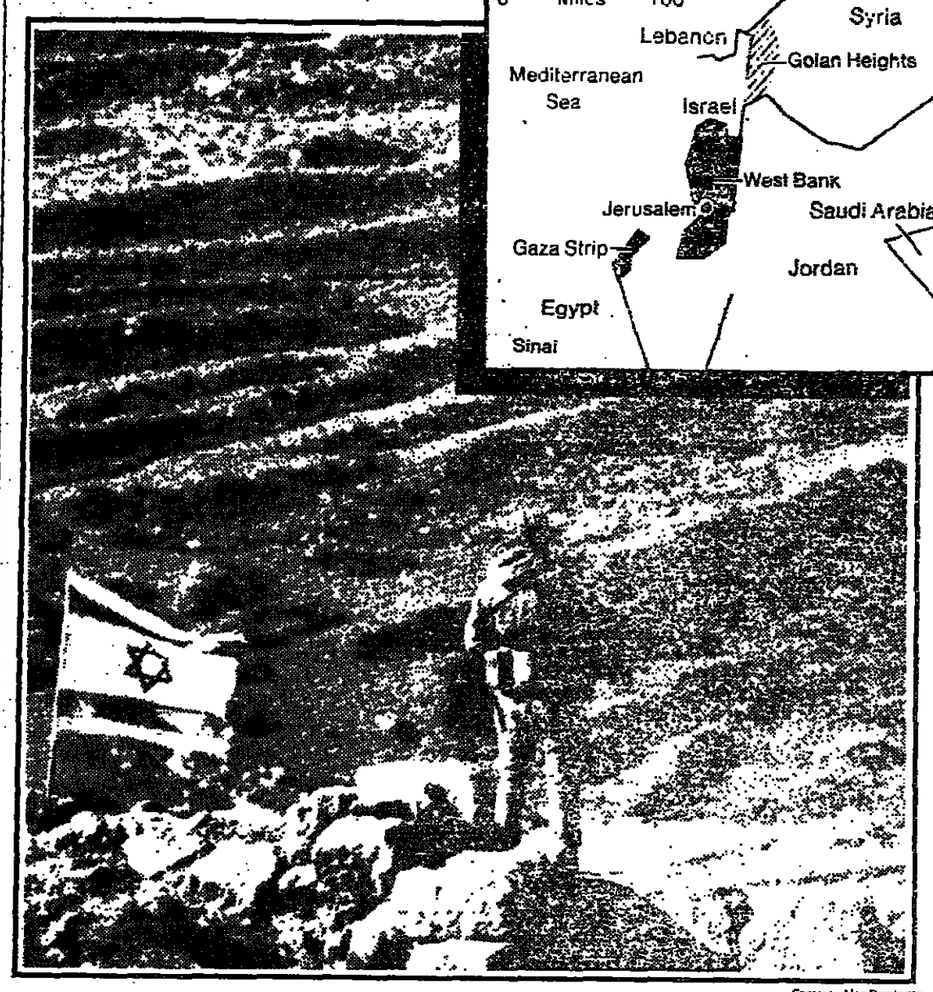
Most Arab experts are convinced that Mr. Arafat is looking for a peaceful solution of the Middle East conflict. Even though his men are scattered from Algeria to Yemen, he is evidently in a stronger position to exert his leadership than before and has more freedom to explore the possibilities of peace.

Palestinians who were in Beirut throughout the siege describe how his status within the organization and his authority over such potential dissenters as George Habash, the leading radical, grew as the days went by. The hard-line groups, which had vowed to stay in Beirut no matter what, obeyed his order to leave without challenge.

Mr. Arafat's refusal to go to Damascus in favor of Athens was a political decision rather than a matter of security, these Palestinian sources say. Syria, which had sent its army into Lebanon, partly to control the P.L.O., appears to have lost its leverage.

Libya's Muammar el-Qaddafi, who suggested that the Palestinians commit suicide in Beirut but did nothing to try to save them, has lost his credibility even within the hard-line wing, according to the Palestinian sources. The Palestinians also see significance in the fact that today's meeting of the Executive Committee was called in Tunis and not in Damascus, although the Committee has its official seat in the Syrian capital and about half of its members were present there last week.

Some observers predict a rapprochement between the P.L.O. leadership and Saudi Arabia and even Egypt. As for relations with Jordan, which have been distant, one of the first results of the Reagan plan may be to change this. Influential Jordanian and Palestinian sources have begun to speak of the need for coordination between Jordan and the P.L.O. in view of the American initiative and even of joint negotiating teams in the future.



Contact Alon Reininger
Israeli soldier standing guard near a Jewish settlement in the West Bank.

Sharp Differences Over a Scheme That Goes Beyond Camp David

WITH the last of the Palestinian and Syrian fighters out of Beirut and life in that battered city returning to a semblance of normality last week, the Reagan Administration lost no time in launching its grand scheme for general peace in the Middle East. Everywhere it was greeted as the boldest American initiative in that area since the Camp David accords ended the state of war between Israel and Egypt in 1979 though opinions on its worth differed sharply.

The plan would halt further Israeli settlements in the West Bank and the Gaza strip, establish full Palestinian autonomy in those areas and, eventually, a self-governing entity in association with Jordan. Annexation or permanent control by Israel was precluded, as was an independent Palestinian state.

Before the President went on the air to announce "a fresh start" toward peace, Administration officials said that they had received from such moderate Arab countries as Egypt, Saudi Arabia and Jordan an "amber" light to proceed. Jordan later talked of "positive elements" but in general, these countries cautiously avoided a green light until they had established a broader Arab consensus that would include, notably, the Palestine Liberation Organization.

The light received from the Israeli Government was definitely red. The euphoria of victory over the P.L.O. was turned into shock upon learning Washington's plans to put an end to what has long appeared to be Menachem Begin's dream of expanding Israel's borders to the Jordan River. The Cabinet, voted unanimously to reject the proposals, saying it would lead to a Palestinian state and could create "a serious danger" to Israel's security. American officials said they were neither surprised nor disappointed by the angry Israeli reaction and clung to the hope that Jerusalem would reconsider if the Arab leaders went along with the plan. Pressure on Mr. Begin also developed within Israel as Shimon Peres, leader of the opposition Labor party, came out in favor.

In Athens, his first stop after leaving Beirut, Yasir Arafat consulted with other P.L.O. leaders. They did not say yes but they did not say no either, withholding formal comment until a later and fuller meeting.

The whole plan appeared as fragile as the peace established in Lebanon. Close to 15,000 P.L.O. guerrillas and Syrian soldiers were evacuated from West Beirut but Israeli and Syrian forces, the latter backed by several thousand Palestinian guerrillas, still faced each other in the Bekaa valley and heavily armed leftist Moslem militiamen continued to pose a threat in Beirut.

Syria, which lost a MIG-25 reconnaissance plane to Israeli gunners over Beirut, was reported to be looking for a way out of Lebanon without losing face, preferably through an arrangement by which Israel would withdraw simultaneously.

There were clashes between Israelis and leftist militiamen and French Lieut. Col. Jean Bizeul, a member of the United Nations force, was killed, apparently in an exchange of sniper fire.

A Place Worn Thin by History

WASHINGTON

FROM the flinty Judean hills to the breathless heat of the Jordan Valley and the Dead Sea, the West Bank is an area hard used by man. Much of it is barren, eroded and baked. But like a lovely old rug it retains a scuffed though indelible beauty. Even more enduring is its emotional and historical appeal — containing the tomb of Abraham, the common patriarch of Jew and Moslem, the Christian Church of the Nativity in Bethlehem and the outskirts of Jerusalem.

If it is, in part, a core of Western and Islamic historical exerience, it is, with Jerusalem, also the core of unyielding and often bloody Israeli-Arab hostility. Along with the tiny, humanity-packed Gaza Strip a few miles away on the Mediterranean, the present and future status of the West Bank is the focus of the peace initiative launched last week by President Reagan.


Contact / Alon Reininger
Arab residents in the West Bank town of Jenin.

Some 400,000 Arabs are jammed into the 140 square miles of the Gaza Strip. About 100 Israeli settlements, established in recent years and containing more than 25,000 Jews, add a volatile new element to the population. The followers of Prime Minister Menachem Begin, and many other Israelis, often prefer to use the Biblical names of Judea and Samaria when talking of the West Bank.

After British Imperial troops wrested the area that now encompasses Palestine from the Ottoman empire in World War I, it became a British-ruled League of Nations Mandate. Transjordan, or present-day Jordan east of the Jordan river, was made a self-governing kingdom in 1921 under the Hashemite dynasty and King Hussein's grandfather, Abdullah, was the first monarch.

During the first Middle East war of 1947-49 following the establishment of Israel, Jordan's Arab Legion crossed into the West Bank and fought a see-saw battle with Israel's then small and ill-armed forces until the 1949 armistice. The boundaries of the West Bank and Israel that resulted are mostly artifical and merely follow the ceasefire lines of 1949 that had been envisioned as open to adjustment. However, Jordan and other Arab states rejected peace negotiations with Israel and insisted that a state of war continued to exist. Jordan annexed the West Bank and East Jerusalem (which includes the walled Old City). Only Britain and Pakistan formally recognized the annexation and other Arab nations strongly protested it.

Despite Israeli warnings, King Hussein committed his troops to combat in the war of 1967, and Israel, having routed six Egyptian divisions in the Sinai — and having overrun the Gaza strip — captured East Jerusalem and the entire West Bank area.

The retention of East Jerusalem as part of an undivided capital in June of 1967, became, overnight, perhaps the most unshakeable bit of Israeli political orthodoxy. However, the determination to retain West Bank access and settlements grew more slowly, remaining an issue of disagreement within Israel as well as the rest of the world.

— CHARLES MOHR

Chinese party needs a credibility revolution

3

Reagan's 'Fresh Start' Is Begin's Anathema

By DAVID K. SHIPLER

JERUSALEM

WAR and diplomacy in the Middle East follow a cycle. Negotiations stall, positions harden, diplomacy congeals, and then as tensions rise, war erupts, bursting the old alignments and power relationships, creating sudden new fluidity in which diplomacy can work again. Such has been the pattern of this summer.

The war in Lebanon grew partly out of an impasse over the Palestinian issue, and its first phase ended last week in a triumph of military-backed diplomacy. As the last of the Syrian troops and Palestinian guerrillas withdrew from Beirut, President Reagan launched his first Middle East peace initiative, calling for "a fresh start" in talks on the future of the Israeli-occupied West Bank and Gaza Strip. With the Palestine Liberation Organization crushed and scattered throughout a severely divided Arab world, a "window of opportunity" seemed to have been opened, as former Secretary of State Henry A. Kissinger recently noted.

Mr. Reagan proposed to inject new life into the 1978 Camp David accords by moving toward a definitive Israeli disengagement from the territories Israel has occupied since the 1967 war. While opposing a Palestinian state in those areas and rejecting the Palestine Liberation Organization as interlocutor, the President startled Prime Minister Menachem Begin by calling for a freeze on Jewish settlements and advocating eventual "association with Jordan" for the territories. This was a prescription for ultimate Israeli withdrawal from lands that Mr. Begin considers historically Jewish and vital to Israeli security. He convened an emergency Cabinet meeting, which unanimously rejected the proposals.

Paradoxically, it was Mr. Begin who had drawn the United States into an activist role, first by invading Lebanon and then by inducing Washington to arrange the P.L.O. retreat, all the while telling the Americans what a boon Israel had brought them in enhanced influence in the Middle East. Israel had plucked Lebanon from the clutches of Moscow's clients, Jerusalem argued; now it was up to the Reagan Administration to make the most of the situation. But pressure for Israeli compromise was hardly what the Prime Minister had in mind.

With his Defense Minister, Ariel Sharon, he began the war in Lebanon for a political, as well as military, purpose. They wanted to smash the P.L.O., to remove it as a factor in Arab-Israeli relations, not only across Israel's northern border with Lebanon, but more vitally, in the West Bank, which runs from the Jordan River to the edge of Jerusalem and the strategic hills overlooking Tel Aviv. Messrs. Begin and Sharon have been working assiduously for five years to reinforce an Israeli hold on the territory that could not be easily broken. Jewish settlements have popped up on stone-strewn hilltops to provide Israeli families with inexpensive housing and roots in a land that the Book of Genesis says God gave to Abraham. Land ownership and jurisdiction have shifted extensively in Israel's favor. The Government has launched an intensive campaign of patronage and police-state tactics to woo Palestinian "moderates" and punish P.L.O. sympathizers, in hopes of ending the P.L.O.'s role in the political dynamics of the West Bank.


Contact / Reininger
Menachem Begin

For Mr. Begin, Camp David has been a shield against territorial compromise rather than an opening toward ultimate Israeli withdrawal; he envisions limited, municipal-style powers for the Palestinians under "autonomy" that would be perfectly compatible with Israeli sovereignty in the territories. That is why he is anxious to complete negotiations on an autonomy formula and why Egypt has repeatedly suspended the talks. Last week, he said again that he would reconvene the negotiations immediately, if Egypt agreed.

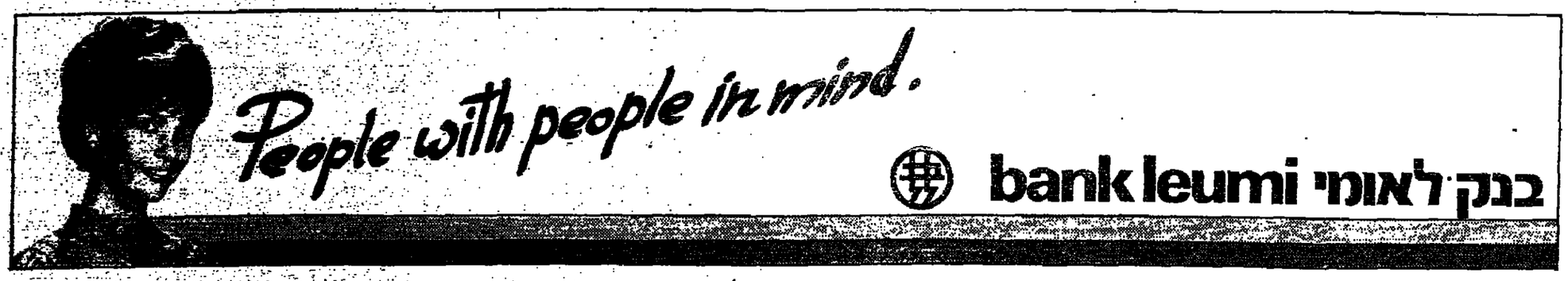
Camp David, which leaves open the final status of the West Bank and Gaza, blocks Mr. Begin from annexing the territories outright, as he would like to do if he could get the votes in Parliament and could overcome the wrath of Washington. But his policy of settlements and expanding jurisdiction over tracts of land has moved the area toward de facto annexation. This, combined with the P.L.O.'s expulsion from Lebanon, may have persuaded some Arab leaders, including some in the West Bank, that time is now working against them, that the longer they say no, the less they will ultimately have left to say yes to.

Signs of Arab conciliation have apparently encouraged Washington in its presentation of the Reagan plan, although it is too early to say whether King Hussein of Jordan will find enough support from the Saudis, the Iraqis and his other Arab patrons to enable him to negotiate. He is restricted by the 1974 Arab summit resolution at Rabat designating the P.L.O., not Jordan, as the Arab entity to negotiate the future of the West Bank. Neither Israel nor the United States will deal with the P.L.O.

But whatever Arab fluidity may exist, there is none in the Begin Government. "Protecting the West Bank is Begin's goal now," said an official close to him. "It is his reason for being alive politically." It is his remaining task, the official added. He has achieved peace with Egypt, annexed the Golan Heights, driven the P.L.O. from Lebanon and now has only one important purpose left — to guarantee that the West Bank is never separated again from what he calls the Land of Israel. "He can compromise on this to the same extent that Ronald Reagan could abolish capitalism in America," the Begin confidant said. "It is the soul of his being."

The only prospect for compromise lies in the longer term. The opposition Labor Party, led by Shimon Peres, endorsed the main elements of the Reagan plan last week and called for a national debate. Labor, out of power since 1977, has long advocated a modicum of territorial compromise in the West Bank, though much less than Jordan has demanded.

Whether the political alignments in Israel will shift to favor compromise may depend largely on the Arab side. Many Israelis harbor a deep, latent revulsion to their role as occupiers. Even some Begin supporters are convinced, as one said last week, that if King Hussein came to Jerusalem to make peace, "Two-thirds of the Israelis would be in favor of giving back most of the West Bank. That would be the end of the Begin Government."



The World

In Summary

Polish Regime Gets the Trouble It Expected

Poland's beleaguered free spirits were outmaneuvered but not entirely abashed last week as riot police broke up Solidarity demonstrations in 54 cities and towns. Dissidents constructed a cross of police tear-gas cannisters on a Warsaw street — the latest symbol of Roman Catholics' resistance to Gen. Wojciech Jaruzelski's eight-month-old martial law regime.

Tens of thousands of protestors clashed with even larger numbers of riot police in Gdansk, Wroclaw, Cracow, Nowa Huta, Szczecin, Czestochowa and other cities, defying regime warnings against gathering on the second anniversary of Solidarity, the independent trade union. Police lobbed thousands of rounds of tear-gas and concussion grenades and used armored personnel carriers and water cannon overseen by military helicopters.

Residents said five people were killed in clashes that lasted three days in Lubin, a Silesian copper-mining city; police shot at demonstrators who threw stones and gasoline bombs, shouting "Gestapo!" and "free Lech Walesa," the union's imprisoned leader. A worker was shot at the scene of heavy clashes in Wroclaw and a young man was found dead after rioting in Gdansk, where thousands of workers commemorated the August 1980 strike at the Lenin shipyard that gave Polish workers a taste of independent unionism that was ended last December.

Officials reported 4,050 people arrested in the rioting. Hundreds were injured, including 42 policemen sent to hospitals. Dusk-to-dawn curfews were imposed in at least four western provinces.

The ruling Military Council said the demonstrations "were of limited scope, but they should not be taken lightly," contending they were "planned and arranged by circles connected with KOR," Solidarity's advisory group of dissident intellectuals. KOR leaders already in custody are to be put on trial on charges of attempting to overthrow the state by force

Reagan Softens The Sanctions

The Administration last week took a step back in the battle with its chief allies over the new Soviet natural gas pipeline to Western Europe. President Reagan, perhaps heeding appeals from British Prime Minister Margaret Thatcher, was said by Administration officials to be preparing to soften sanctions imposed Aug. 26 on foreign companies that provide American-licensed components for the pipeline. As modified, the sanctions would forbid offenders to buy American oil and gas equipment, but would no longer ban other types of purchases of United States goods.

Mr. Reagan's stated intention had been to push Moscow to relax repression in Poland (where the opposite seemed to be the case last week). But the more imminent threat was to thousands of jobs in West European industries, where unemployment had already been testing the limits of political forbearance. Washington hasblacklisted two French companies for shipping compressors for the 3,700-mile pipeline. Italian and West German shipments are expected shortly. The European Governments have told their manufacturers to fulfill the Soviet contracts, insisting that Uncle Sam's long arm may not legally invade their sovereignty.

Mrs. Thatcher had telephoned to Mr. Reagan on behalf of John Brown Engineering, a Glasgow-based company, which last week loaded three giant turbines aboard the Soviet freighter Stakhanovets Yermolenko.

The sanctions "in their original pristine form," as Treasury Secretary Donald T. Regan put it, threatened 10,000 jobs at John Brown, a diversified manufacturer dependent on a range of recently acquired United States subsidiaries. Even so, the company may not be able to complete its $182 million Soviet order for 21 turbines; it requires General Electric rotors from the United States that were cut off by an earlier Administration restriction. "Naturally we feel particularly deeply wounded by a friend," Mrs. Thatcher said.

Secretary of State George P. Shultz, Mr. Regan and Commerce Secretary Malcom Baldrige urged Mr. Reagan to ease the sanctions. In London, Bill Brock, the Presidential trade representative, met with British trade officials and renewed Administration efforts to persuade the allies to impose other restrictions on Soviet commerce that could provide face-saving alternatives to the pipeline impasse.

Mexico Seizes Private Banks

President José López Portillo, three months from the end of his term, demonstrated last week that for a lame duck, he still has some kick left. Reacting to Mexico's financial crisis, Mr. López Portillo announced in his last State of the Union address that he was nationalizing the banks to give the Government a stronger hand in halting a flight from the much-devalued peso.

The nationalization measure, which did not affect foreign-owned banks and calls for compensation to shareholders, was accompanied by sweeping exchange control measures. A bank holiday was declared until Monday when those with dollar accounts will be able to draw pesos only. The first split in official ranks appeared with the resignation of the director of the central bank, Miguel Mancera Aguayo, who had long been opposed to exchange controls because they are hard to make effective.

The President accused the private banks of "betraying us" by encouraging speculation and a capital flight that he estimated at $22 billion in the last two to three years. Mr. López Portillo had carried out an expensive program of economic development only to be confronted with a sharp drop in oil revenues, but he said the country could have survived that had it not been for the capital drain carried out by "a group of Mexicans," led, counseled and supported by private banks. "They won't loot us again," he promised. Among those who applauded him was his successor, Miguel de la Madrid Hurtado, who takes office Dec. 1 and will have to carry out one of the most drastic measures since Mexico nationalized the oil industry in 1938. Despite his applause, Mr. de la Madrid is reported to be unenthusiastic about the nationalization but Mr. Lopez Portillo put pressure on him as well as on an angry business community by assembling tens of thousands of people in front of the National Palace to cheer the nationalization as well as himself. In a gesture toward businessmen, interest rates are expected to be lowered when the banks reopen tomorrow.

Central American Troubles Go On

Central America's cauldron of trouble never really stops bubbling. In El Salvador, guerrilla bands blacked out almost half the country last week by sabotaging power lines. It was the second time in two weeks that the eastern part of the country was without lights, and a further demonstration of the rebels' capacity to roam and wreak havoc at will.

In Mexico City, the former chief of military intelligence in Honduras charged in a news conference that the head of that country's armed forces, Gen. Gustavo Alvarez Martinez, was planning armed conflict with Nicaragua.

Col. Leonides Torres Arias, who was intelligence chief until he was sent into "diplomatic exile" in Buenos Aires in January, said General Alvarez had "an uncontrollable obsession to become the all-powerful man of the country" and called for his dismissal to head off "an adventure of madness."

In January, Honduras moved toward democracy with the first civilian Government in a decade. Named military chief at the same time, General Alvarez proved to be an aggressive anti-communist, cooperating with the Salvadoran Army and with Nicaraguan exiles in Honduras opposed to the Sandinist Junta controlling Nicaragua. Just a few days before Colonel Torres made his charges, Daniel Ortega Saavedra, the Junta's coordinator, declared that with the United States giving Honduras military aid, it was becoming "practically impossible" to avoid war between the two neighbors.



Soviet workers welding pipeline that will carry natural gas to Europe.

Henry Giniger, Milt Freudenheim and Katherine J. Roberts

Administration Ideology Yields to Mideast Realities

Reagan Puts His Stamp On U.S. Foreign Policy

By HEDRICK SMITH

WASHINGTON — For months, people have watched for the trademarks of President Reagan's foreign policy but they have been stymied by Mr. Reagan's long hesitation to go much beyond the sharp rhetorical anti-Sovietism of his 1980 campaign.

Bit by bit, starting with his proposal last Nov. 18 for eliminating American and Soviet medium-range nuclear forces in Europe and now with his new peace formula for the Middle East, the President has put a Reagan stamp on some key issues. Gradually, he has projected a foreign policy considerably less doctrinaire than advertised in 1980, and, with a few exceptions, more traditional in its approach.

Global anti-Sovietism remains, but the Reagan pattern defies easy ideological labels. There is still no clear, consistent, integrated policy framework or strategy. What emerges most clearly are the personal characteristics of a leader reacting piecemeal to foreign problems — delaying unwelcome decisions until forced to act by events, and then once pushed, moving boldly, taking unpopular new tacks, mixing dogma with pragmatism, risking confrontation at home and abroad but keeping a canny eye on political benefit, and then seeking personally to dominate public debate.

"In foreign policy, Reagan is essentially passive until pushed too hard and then he becomes active and assertive," commented Zbigniew Brzezinski, national security adviser to President Carter. "In the latest case, I think he felt that (Israeli Prime Minister Menachem) Begin pushed him around too much and humiliated him and he decided he had to act. My hunch is that if Begin pushes Reagan further and builds more settlements on the West Bank, Reagan will not back down but he will alter American policy in some significant way."

The dispute with Western Europe also bears earmarks of a President reacting viscerally because he was not being taken seriously by foreign leaders. In June, Mr. Reagan stiffened his sanctions against the use of American technology in the Soviet natural gas pipeline, officials say, after being piqued by public comments of French President François Mitterrand that undercut a proposal for a coordinated Western credit squeeze on Moscow.

On military sales to Taiwan, it took a year of pressure from China and ultimately a veiled threat that Peking would withdraw its ambassador before the Administration broke the impasse. On arms control, the mushrooming peace movement in Europe rushed Mr. Reagan to produce his proposal on European nuclear missile systems. On Middle East diplomacy, he waited 18 months before taking a deep plunge, acting after the Beirut crisis for fear that Israel was bent on de facto annexation of the West Bank, thus pre-empting talks on Palestinian autonomy.

Yet if belated, reactive diplomacy is a Reagan trademark, the President is also not one to be deterred by political opposition. As expected, he faced down the nuclear freeze movement and pro-arms control liberals with his commitment to a rapid American military buildup and a tough negotiating stance on strategic arms reductions. Less expected, he was willing to offend ardent right-wing Republicans by promising China that over time the United States would reduce arms sales to Taiwan.

This summer, he has dared to fuel tensions in the Atlantic Alliance by tenaciously insisting on trade sanctions against the Soviet pipeline. And now, with an important Congressional election only two months off, he has risked a testy confrontation with Israel and American Jews by proposing "full autonomy" for Palestinians, somehow linked to Jordan, and by opposing Israeli annexation of the West Bank and further settlements there.



United Press International
President Reagan

Mr. Reagan's attitudes toward the world have their roots in the America-first, isolationist instincts of the Middle West where he was raised. His foreign policy has been slow to take shape not only because the President assigned higher priority to the economy but, perhaps just as importantly, because both he and his advisers lacked experience and a concrete vision for dealing with foreign affairs. Now their basic instincts are being reshaped by the complexities of a world that does not yield to a simple ideology or to assertions of American will.

Apparently, they are also being modified by Secretary of State George P. Shultz, who came to his post with Cabinet experience and wide foreign business contacts. Quietly, he has encouraged Mr. Reagan to soften the penalties imposed under his pipeline sanctions. And, after consulting with former Secretary of State Henry A. Kissinger, once anathema to Reaganites, Mr. Shultz was a principal architect of the Middle East plan, working in closer harmony with Defense Secretary Caspar W. Weinberger and William P. Clark, the national security adviser, than former Secretary of State Alexander M. Haig Jr. did.

Twice recently, instead of simply reacting, the President has tried to anticipate and reduce his problems by publicizing proposals he had initially hoped to keep private for a while — the plan to use American marines in Lebanon and his new Middle East initiative. In both cases, officials say, Mr. Reagan felt compelled to go public because of premature news leaks in Israel. By speaking out, he sought to cast the issue in his own way and thus dominate political debate.

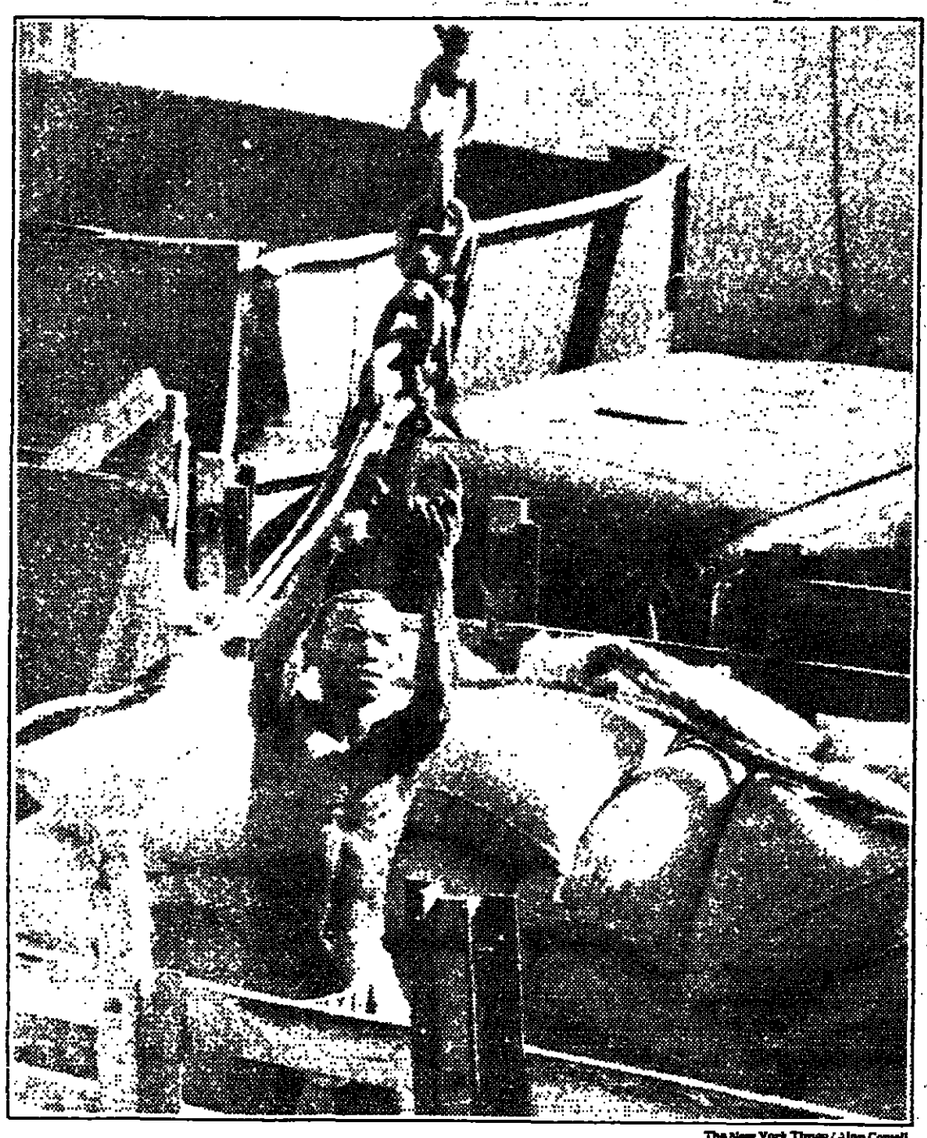
With policy more exposed, the challenge to the Reagan team is to follow through. Of all the foreign problems, that posed by the Middle East is the most pressing.

Once before, in 1970, the United States put forward a Middle East plan calling for Israeli withdrawal from occupied Arab lands roughly to the 1967 cease-fire lines. But confronted by an adamant Israel, President Nixon backed off and the initiative died.

This time, the Reagan Administration laid considerable groundwork in advance, gaining qualified support from Jordan's King Hussein and private encouragement from the influential foreign affairs committees of Congress. Republican opinion polls suggest the public generally accepts some American divergence now from Israel. The President's strategists believe bold action reinforces his image for forcefulness, but the swift Israeli rejection shows that it is one thing to articulate foreign policy and another to implement it.

Third World's Financial Crisis a Central Issue in Toronto Meeting

Washington Loosens the Strings on Aid



The New York Times/Alan Cowell
Dock hand unloading emergency food shipments in Dar es Salaam, Tanzania, sent by donors, including the United States, to avert famine earlier this year.

By CLYDE FARNSWORTH

TORONTO — The Reagan Administration is softening somewhat its approach to the economic problems of the third world. But despite signs of greater generosity, it is still at odds with most other countries over the resources and policies needed to head off a world financial crisis brought on by too many countries owing too much to too many commercial banks.

Both the softened attitude and the continuing differences were apparent here as delegates prepared for the formal opening tomorrow of the 37th annual meeting of the International Monetary Fund and the World Bank.

This year the external debt of the developing countries will rise above $500 billion, twice the level of less than six years ago. High interest rates, slack world trade, plunging commodity prices and shrinking aid have made it difficult for a growing number of countries to meet their payments. For low-income countries, external debt last year reached 220 per cent of export earnings and it is expected to rise further in 1982. Ministers representing nearly 100 developing countries warned that if these adverse trends continued, the whole international system of trade and finance could collapse.

A world debt crisis could trigger an even sharper global business contraction, boosting unemployment in developed and developing countries and wiping out all hopes, it is feared, for an American recovery in the fall.

The differences are essentially between those who give and those who receive. They also concern the conditions for such help — how much debtors would have to tighten their belts to pay the money back.

Washington's somewhat greater generosity has resulted, analysts said, not only from a sharpening awareness of global interdependence, but also from a shift in the political coloration of the Administration, which has moved from doctrinaire conservatism to greater pragmatism.

Some evidence of the change came in America's swift response last month to the call for help by Mexico, the biggest debtor in the third world. Mexico, cash-poor but oil-rich, is seeking emergency loans and postponement of $10 billion in payments coming due on its $81 billion overall debt to foreigners. The United States provided some credits and helped to arrange others from the international community. But the exchange controls Mexico decreed last week may make it more difficult for it to qualify for a prospective $4.5 billion loan from the Monetary Fund.

Of the other debtors that may not meet their payments this year, Brazil owes nearly $75 billion, Argentina $35 billion, Poland $26 billion and Cuba $1 billion. "Obviously, there is danger to the banking system at this point until such time as these problems can be worked out," Treasury Secretary Donald T. Regan acknowledged last week.

A 'Modest' Increase

While trying to contain the Mexican financial crisis, the United States was also taking a more accommodating position in the broader dialogue between rich and poor countries. President Reagan has been resisting efforts to pump new money into either the Monetary Fund or the World Bank. The best hope of the down and out, the President said last year, was the stimulus from a stronger American economy combined with the "magic of the marketplace."

Now the President's key economic advisers, such as Treasury Secretary Regan and Treasury Under Secretary Beryl Sprinkel, are conceding openly that both lending institutions, the cornerstones of the postwar economic system, should be strengthened.

The 146-nation Monetary Fund lends to countries that cannot meet their bills while the World Bank gives longer-term help for development purposes. Mr. Regan announced last week that after long rejecting such a course, the United States favored a "modest" increase in the resources of the Fund but one that would be far short of the doubling favored by most other countries and a number of academic monetarists. Yesterday, however, the United States went along with other "rich" countries in agreeing to a "substantial" increase although there was no agreement on specific figures.

Despite budgetary restraints and Congressional skepticism, Mr. Regan noted, the Administration had won Congressional authorization for the full $3.24 billion that the Carter Administration had committed as the American contribution to the World Bank's special aid program for the poorest countries. But what was to be a three-year (1981-83) commitment of the World Bank's International Development Association is being stretched to four, a budget-cutting deferral that has provoked anger from developing countries.

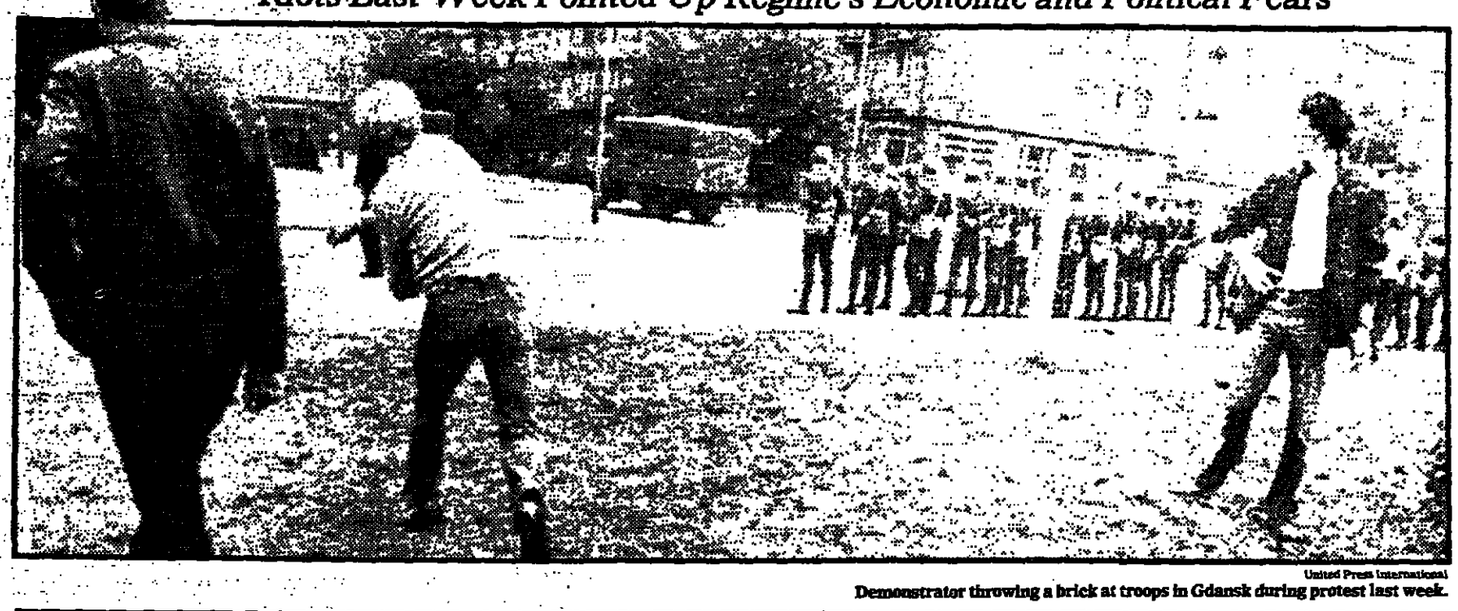
"Our concern is that in light of domestic belt-tightening, the international lending institutions should be subjected to the same kind of scrutiny," Mr. Regan said.

But A. W. Clausen, president of the World Bank, says such cutbacks are penny wise and pound foolish. He warns that without the no-interest, 50-year I.D.A. loans, many countries in Asia and Africa will not be able to break out of a self-perpetuating cycle of massive poverty.

The poorest countries would also like to see a big increase in allocations of Special Drawing Rights, which could provide them with funds they need desperately. The Drawing Rights represent a form of internationally-created money for use in settling balance of payments accounts. But the United States and most of the rich countries oppose any further creation, beyond some $25 billion of the Drawing Rights already in existence, out of fear the new money would spur inflation.

صكنا من الأصل

Riots Last Week Pointed Up Regime's Economic and Political Fears



United Press International
Demonstrator throwing a brick at troops in Gdansk during protest last week.

Support for Solidarity Tests Warsaw's Control

By JOHN KIFNER

WARSAW — The demonstration sites called for in furtively distributed Solidarity leaflets had been turned into armed camps last week long before the appointed hour. They filled up with feared ZOMO riot police, helmeted and armed with water cannon and with long truncheons, many of them bent from previous use. Still, the people turned out, gingerly at first, then more boldly by the tens of thousands in cities and towns across Poland in the largest anti-Government demonstration since the imposition of martial law Dec. 13.

The leaflets had called for people to assemble, nothing more specific than that, between 4 P.M. and 6 P.M. on the afternoon of Aug. 31 to mark the second anniversary of the Gdansk shipyard agreements that led to the founding of the first independent trade union in the Communist bloc and the brief, heady era of Solidarity.

Both sides had portrayed Tuesday's demonstrations as a crucial showdown. If Solidarity could not pull out a convincing number of supporters it could be seen as broken, its influence finished. And if Gen. Wojciech Jaruzelski's men could not control the streets, this could be seen, particularly in Moscow, as a sign they had lost their grip on the country. Martial law officials took to quoting a statement issued from hiding by the fugitive Solidarity leader Zbigniew Bujak that if the demonstrations did not materialize the authorities would conclude "the union and the society are very weak and broken."

The Government attempted to minimize the extent of the demonstrations and, with many communications lines cut, news filtered out slowly. But given the massive show of police force, the Government campaign and the structural weakness of Solidarity, the demonstration was a strong show of sentiment. The independent union, suspended since December, lacks communication lines; its leaders are interned or on the run.

What was new and presumably most upsetting to the authorities was the willingness of demonstrators in a number of places, notably Gdansk, Wroclaw, Cracow, Warsaw and the copper-mining town of Lubin, to resist the police by hurling rocks, chunks of paving stones and even Molotov cocktails. At least four people are known to have died. Two were killed, the authorities say, in a police volley in Lubin.

The ruling Military Council of National Salvation reacted by laying down a hard line against political unrest. There could be no dialogue with the Solidarity leaders, a Government spokesman said. The council expressed doubt that martial law could be lifted this year.

Intellectuals Are Blamed

Authorities attempted to place the blame for the unrest on the leaders of the dissident intellectual movement KOR, the Committee for Social Self-Defense, who have been interned since the beginning of martial law. They charged Jacek Kuron and three other KOR leaders who had advised Solidarity with attempting to overthrow the state by violence, a capital offence. One KOR associate, Zbigniew Romaszewski, who was arrested in Warsaw last week, was believed to have been responsible for Solidarity's clandestine radio broadcasts, which announced the demonstrations. Broadcasts ceased after his arrest. Warrants were out for others. The line put out in the official publications was that the intellectuals had hijacked a legitimate workers movement.

Mr. Kuron, a sociologist, advocated free trade unions for two years before the strikes in 1980 that gave birth to Solidarity. KOR dissidents helped spread word of the strikes to the outside world. First organized to help workers jailed after anti-Government riots of 1976, it had less than three dozen members. But hundreds of sympathizers read its "information bulletin." KOR spokesmen did not advocate revolution; they accepted socialism and Polish membership in the Warsaw Pact as unalterable in view of Soviet bloc geography. After Solidarity became a national force, Mr. Kuron announced that KOR was disbanding as a separate entity.

Mr. Walesa and other Solidarity leaders also have received advice from intellectuals of the Roman Catholic Church. But the regime, mindful of church strength, has played down this connection. A few days before last week's demonstrations 400,000 Roman Catholic pilgrims cheered and flashed V-signs when Archbishop Jozef Glemp, the Polish Primate, speaking at ceremonies in Czestochowa, called for the release of Mr. Walesa.

In a sense, the authorities bretrayed their real concerns in their repeated assertions last week that the demonstrations had been a failure because there had been no strikes in the factories. Solidarity had, in fact, not called for strikes, but it is the economy that is the critical issue here and the Government's most vulnerable point. Citing reasons for the unrest, Mr. Urban, the Government spokesman, pointed to a fall in the standard of living by 25 percent, a performance, he noted, that was "unprecedented in postwar Europe." This is an economy so strapped, that virtually everything is rationed, meat, gasoline soap, cigarettes, even shoes. The price of food recently tripled. Factories are short of imported parts and raw materials and the Government has been unable to meet payment deadlines on its $29 billion foreign debt.

Already there is a kind of de facto semi-strike in many factories; sullen and disgruntled workers perform listlessly and only sporadically, adding to the drag on the economy. "What are we doing this for?" asked a man standing near the cross of stones and three thin red bundles of carnations that marked the deaths in Lubin where riot police broke up crowds three days running. "Let's go into the factories," he said, "and close them down."

New Conflict Feared Along Africa's Last Color Frontier

By ALAN COWELL

HARARE, Zimbabwe — In a corner of Africa where the confrontation lines between black and white meet and become entangled, two seemingly unrelated events recently signaled warnings of heightened conflict. In Maputo, the Mozambique capital, a letter bomb that Mozambican police said was mailed by South African agents via an unofficial United States-based information agency detonated last month in a small office and killed Ruth First, a prominent exiled South African political activist, journalist and author. Just inside Zimbabwe, 250 miles to the northwest in the humid bushlands known as the Lowveld, three white men in Soviet bloc military uniforms were shot dead by an army patrol after being intercepted at the start of what Prime Minister Robert Mugabe said was a clandestine South African-inspired mission of sabotage.

The common thread linking the two incidents was South Africa, which critics of the racially separated nation held responsible for a twin-pronged campaign aimed at foes Pretoria calls "terrorists" and at destabilizing black-ruled countries that could serve them as a rear base or sanctuaries. In Zimbabwe, Mr. Mugabe charged that South African actions were also designed to bring chaos to a nation that might otherwise create a model of multiracialism, belying Pretoria's insistence on the need for a separation of the colors.

Miss First was one of South Africa's best-known militant exiles. She had been among the first group of people detained because of opposition to apartheid, in a period she chronicled in the 1965 book "117 Days." She had written widely on African affairs and was married to Jo Slovo, said by many to be the military strategist of the African National Congress, the oldest of the outlawed movements seeking the downfall of the apartheid system. Her death was the second by letter-bombing of an African National Congress exile in a year. Mozambique does not publicly acknowledge that the congress is quartered on its soil, but at Miss First's funeral she was laid to rest alongside graves of members of the organization who died in a direct assault on their homes at Matola, a suburb of Maputo, last year. The killing, which was blamed on South Africa, elicited much outrage in black-ruled Africa.

The three whites who died on Zimbabwe's territory were accorded less dignity; their bullet-riddled bodies, decomposed and shoeless, were displayed to reporters in a mortuary. The widely held supposition was that the three had been in the army when the country was ruled as Rhodesia by its white minority; that they had left for South Africa when independence and majority rule arrived in 1980, and that they nurtured hopes of avenging defeat in the seven-year guerrilla war that provided Zimbabwe's period of gestation as a black-ruled nation.

South Africa Denies Charges

Mr. Mugabe insisted that the three belonged to a larger, South African-trained group that had entered Zimbabwe to commit sabotage and prepare for an invasion. The rest of the group, he said, had fled back to South Africa. If this account is true, the development would be extremely disturbing; it matches the pattern South Africa has been accused of using to exploit the domestic problems of black-ruled neighbors by sponsoring dissident elements and cultivating the seeds of self-destruction across southern Africa. In Angola and Mozambique, the Pretoria Government has coupled its direct assaults on "terrorists" with clandestine backing for disenchanted and rebellious groups outside the prevailing one-party systems. In embryo, according to Mr. Mugabe the same technique is now being employed in Zimbabwe.

South Africa, for its part, denies that it authorized the mission in which the three whites died, just as it rejects the suggestion that it backs the anti-Government insurgents fighting in Angola and Mozambique.

But these conflicts suit Pretoria's strategic interests by blunting black-ruled Africa's ability to sustain a military challenge to the apartheid system — an impotence reinforced by the colonial legacy of economic dependence on South Africa that burdens all of Pretoria's black-ruled neighbors.

But there are arguments, too, that make the apportionment of responsibility for southern Africa's turmoil less well-defined than the chromatic lines of the racial conflict in South Africa. In Angola and Mozambique there has been no indication of Government readiness to treat with insurgent enemies. To do so would be to acknowledge subdivisions in political power and to acknowledge Pretoria's ability to mold change beyond its borders through surrogate armies.

In Zimbabwe, also, omens are appearing of similar confrontation between the Government and some of its foes, who are known as "dissidents" and who operate in armed groups in Matabeleland in the west of the country. The "dissidents" are said to be onetime supporters of the ousted opposition leader, Joshua Nkomo, who was dismissed from the Government in February and accused of plotting a coup, which he denies. There has been no suggestion as yet that the "dissidents" have been supported by South Africa, or that they were in any way connected with the trio of alleged saboteurs shot dead last month on the other side of the country from the dissidents' area of operations.

But the comparison with Angola and Mozambique does assert itself in the broad strategy of "divide and rule" long practiced by whites in Africa. The potential for exploiting disunity to increase white influence would be greatly enhanced if divisions were already smoldering, ready to be ignited.

Chinese Communists Hold First Congress in Five Years

Party Needs A Credibility Revolution

By CHRISTOPHER S. WREN

PEKING — As China's 12th Communist Party congress opened last week amid paeans of self-congratulation, a Peking taxi driver switched off his radio, silencing Party Chairman Hu Yaobang in mid-sentence. "I don't like to listen to it," he said, reflecting the apathy with which many Chinese regard the ideology that has dominated virtually every aspect of their lives.

The congress, the first in five years, is expected to complete the party's break with the radicalism of the late Chairman Mao Zedong and to vindicate the pragmatic policies of the current ruler, Deng Xiaoping. Mr. Hu last week announced an effort to quadruple the combined output of farms and factories by the year 2000, to $1,400 billion. But the unspoken challenge is to revive faith in a party that, having led China into dramatic political and social change, has conceded that its public credibility is sagging.

The newspaper People's Daily has quoted Mr. Deng as telling a party meeting last year that many party members were "not up to standard." And Mr. Hu complained in the ideological journal Red Flag that "the work style of the party has not yet made a fundamental improvement." The party is still living down the chaotic decade of Cultural Revolution, when millions of Chinese were displaced, persecuted, beaten or imprisoned at the whim of radical Maoists. As a Peking domestic radio broadcast said in June, "The Communist doctrine and image have been badly distorted and tarnished." New party members, it added, lacked grounding in ideology; even veteran members had failed to come to grips with the current ideological situation, while still others had "degenerated morally and lost all sense of shame."

At the watershed plenary session in June 1981, the Central Committee produced a painful appraisal that blamed Chairman Mao for gross mistakes and admitted that the party had failed to stop his blundering. The new leaders, Mr. Hu said, "are keenly aware of our own responsibility in this matter, and we are determined never to forget this lesson."

In Mao's day, one-party rule produced a personality cult, complete with little red books and devoid of checks against authoritarian excess. Mr. Deng has responded with a collective style, declining the party chairmanship last year and increasing the authority of his protégés, Mr. Hu and Prime Minister Zhao Ziyang. But the party's image of privilege and even venality has stirred resentment. The former propaganda chief, Wang Renzhong, once complained of "widespread" abuse by cadres who built private houses on public farmland, using state workers and materials. Other officials have been periodically accused of using their positions to acquire free banquets, hard-to-get luxury goods and access for their children to universities and comfortable jobs. A Western teacher of English at a Peking technical institute estimated that a third of her students were enrolled by parents through the "back door" after flunking examinations. Officials accused of corruption in a recent campaign against economic crimes invariably were also party members. Many ordinary Chinese suspect that more prominent culprits have been shielded by high party connections.



Contact / Lin Heung Sh'ing
Employees at a petrochemical plant near Peking. Officials want to quadruple industrial output by end of century.

The People's Daily warned earlier this year of "corruption and degenerates within our party." In part, the problem can be traced to mediocrity among the 39,650,000 party members. Red Flag has admitted that the cadres after liberation had "a low cultural level and little scientific knowledge." During the Cultural Revolution, 18 million to 20 million more members were added; blind leftism and proletarian origins were the chief entry requirements. Some have since dragged their feet on Mr. Deng's economic reforms, fearful of losing their sinecures.

Intellectuals were long looked down upon, though the party has lately been trying to recruit them. The Guangming Daily reported last week that fewer than 16 percent of the members had continued education beyond high school and that even fewer possessed modern technical skills. Educated youths may be bypassing the party. Of China's 1,280,000 university students, the Guangming paper said, only 3.8 percent were party members. Nearly two-thirds of the population is under 30 years old. But of 1,600 delegates at the congress, only 40 percent were described as "young or middle-aged," which in China can mean up to 55 years old. As the aging Politboro sat on the dais, three nurses hovered in attendance.

Wang Zhen, a leading party official, recently said that the leadership's age and the lack of professional skills in the ranks were jeopardizing the push for modernization. Mr. Deng, who is 78 years old, is expected to lead his peers into semi-retirement on a new advisory commission, although this ploy is unlikely to cut down his own authority. Another possibility is a "rectification campaign" that could eliminate many Maoist hard-liners and incompetents, perhaps by validating membership only for potential contributors to Deng-style modernization. He has already separated some state and party functions, reducing the chances for party hacks to interfere.

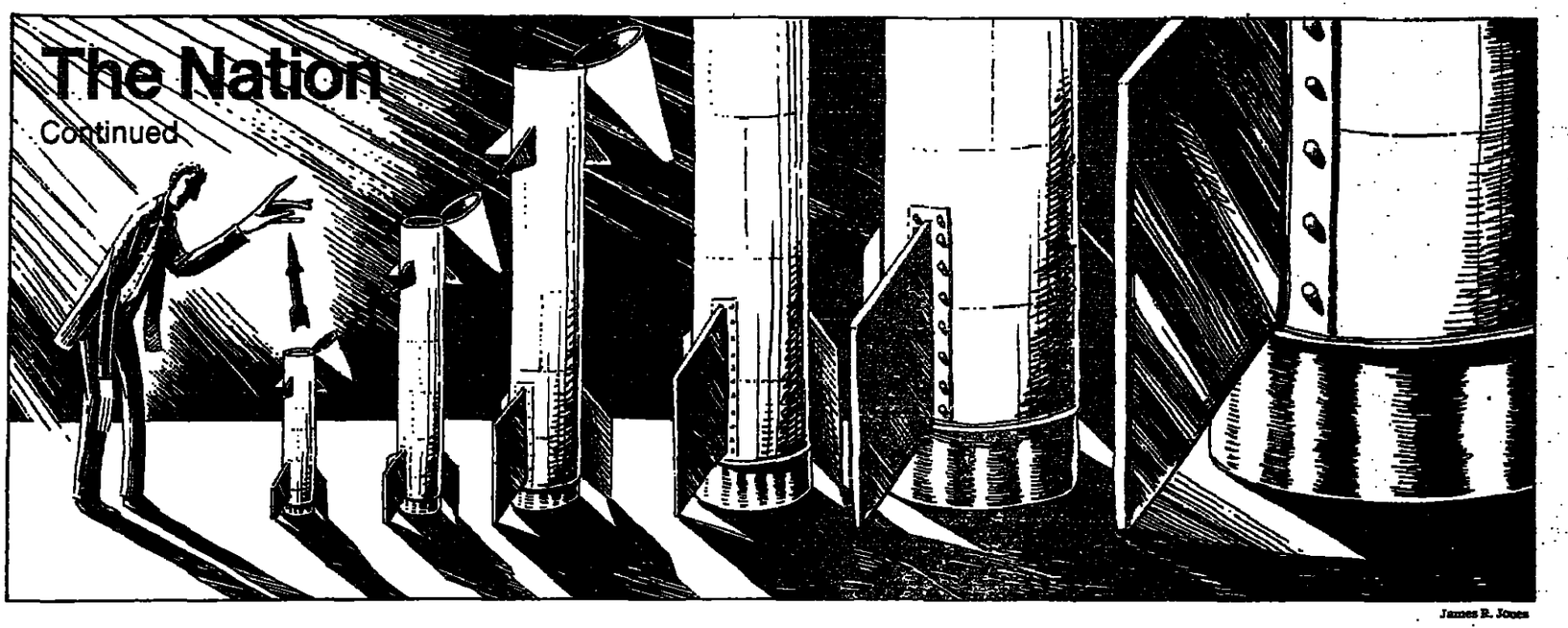
Yet for all his commitment to decentralization and greater individual responsibility, Mr. Deng has been a hard-core Communist for 58 years and is not about to loosen the party's grip. Its overriding aim, after all, is to stay in power. "The party's leading body did make mistakes," the theoretician Hu Qiaomu acknowledged earlier this year, "but nobody is allowed to use this as a pretext to weaken, cast off or destroy the party's leadership, since doing so will only lead to terrible catastrophe."



United Press International
Ruth First

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Is 'Dense Pack' the Solution to Vulnerability Puzzle?



James R. Jones

One Plan Would Put All MX's in One Basket

By LESLIE H. GELB

WASHINGTON — There is an adage in politics, to wit: Problems should not be defined in such a way that they can't be solved. It may be that the Reagan Administration did just that when it made the closing of the window of vulnerability — the theoretical vulnerability of American land-based missiles to a successful Soviet first strike — its top strategic priority.

A tremendous amount is riding on whether the Administration can devise a solution. Whether the new MX missile will ever be deployed may depend on it. So may future American strategic doctrine, possible efforts to renegotiate the Anti-Ballistic Missile Treaty, arms control talks with the Soviet Union and prospects for deploying new medium-range missiles in Europe.

It could be that given future missile accuracy, missiles in fixed position cannot be made survivable. Defense experts have been generally skeptical about every MX basing scheme advanced by the Carter and Reagan Administrations. That includes the latest in a long list, the Dense Pack plan to place MX's so tightly together as to cause incoming Soviet warheads to blow each other up. Even advocates of the $25-billion plan acknowledge that at most it can work for a few years, that deceptive measures and more missiles would have to be added and that later the sites would have to be protected by ballistic missile defenses. That's a whole new arms race.

Or maybe the problem was not so serious to begin with. What the Soviets could do in theory and what they would risk in practice are different matters. Does the worst-case scenario of some American strategic planners, in which the Soviets take all the risks and do everything right, while the United States passively accepts defeat, stand up? Perhaps the Administration will come to the conclusion that continuing to deter a Soviet nuclear attack does not require "solving" the problem of land-based missile vulnerability. Maybe President Reagan will decide that his five-year $180 billion program to modernize strategic forces across the board — to put the MX in existing silos, build new Trident missiles and submarines, the B-1 bombers, cruise missiles — will be a sufficient deterrent for the rest of the century and beyond.

'A Cure by Date Certain'

As matters stand, the Senate has deferred funds for the purchase of the first MX missiles and repudiated the Administration's "interim" plan to place the MX's initially in existing Minuteman silos. It has also required the Pentagon to select by Dec. 1 a permanent and survivable basing plan, to be completed before 1989. Defense Secretary Caspar W. Weinberger, who himself had faulted the Carter Administration for not finding a quick solution, said this was tantamount to demanding a cure for cancer by a date certain. In any event, he has commissioned a panel of experts to report to him by Sept. 15.

From all indications, the recommended plan will be Dense Pack. One hundred MX missiles would be placed in silos about one-third of a mile apart in a 10-to-12-mile area shaped like a trapezoid. Each silo would be hardened by concrete and steel to withstand between 5,000 and 10,000 pounds of pressure per square inch; present Minuteman silos withstand 2,000.

The theory is that packing the missiles close together would force the Russians to concentrate their attacking warheads. As the first warhead exploded, it would emit intense heat, shock waves and electromagnetic radiation, throwing the following Soviet missile warheads off target. Then about half the MX missiles in the field, protected by this "fratricide" effect and by hardened silos, would rise to strike back at the Soviet Union.

The Administration — and the Air Force in particular — are worried now that it is either Dense Pack or nothing. The question is, does it work? Those who believe in possible Soviet counterploys known as "the spike," "the walk" and "pindown" say no.

In the spike scenario, the Soviet Union would explode a half-dozen or more warheads, each yielding 20 megatons (the equivalent of 20 million tons of TNT) over the Dense Pack field and destroy all 100 MX's in one enormous pop. Pentagon experts maintain that the Soviet has neither the necessary warhead size nor accuracy nor timing capability to do this at this time.

In the walk scenario, the Soviet would attack the silos sequentially, in a kind of moving barrage to avoid the debris and radiation from prior explosions. At the same time, the Soviets would pin down the remaining MX's by exploding warheads high above the Dense Pack field, thus destroying rising MX's by intense heat and electromagnetic impulses. Some Pentagon experts argue that this could be defeated by American sea-based forces pinning down Soviet missiles to prevent follow-on attack against the MX and further Soviet pindown measures. Many MX's would escape in the meantime.

The consensus among the experts seems to be that no one can have much confidence in the fratricide theory without atmospheric nuclear testing, which no one is suggesting. But then, some Pentagon officials hurry to add that the Soviet could not be sure either.

Dense Pack advocates say that their system can do the job for maybe five to ten years. After that, increasing Soviet capability would require, they say, adding another 100 MX missiles or more. It would also entail, they say, building extra silos for deceptive purposes, so the Soviet would not know which to strike at, and after that, a ballistic missile defense system.

Reviving the A.B.M.

That, in turn, would require the renegotiation of the treaty limiting anti-ballistic missiles. Former Defense Secretary Harold Brown argued in a June speech marking the 10th anniversary of the treaty that it should not be touched "unless the reasons for doing so are extraordinarily pressing" because "it has worked for decades."

There is no doubting the high costs and risk of going forward with Dense Pack. But what are the costs and risks of doing nothing to solve the "vulnerability" problem?

- No MX missile. Congress could say no survivable basing plan, no new land-based missile. But the Administration could still go forward with the new sea-based Trident II missile, the accuracy and power of which rival the MX. But this would still leave Moscow with advantages in land-based missiles, for whatever that might mean. It would also mean rethinking the strategic triad; that is, the idea of maintaining land, sea and air forces, each capable of surviving.
- No new medium-range missile for Europe. The Europeans might say that if the United States is unwilling to deploy new land-based missiles in America, they will reject deployment of the new cruise missiles and Pershing II missile. That would raise serious questions about the resolve of the Atlantic Alliance and would undercut American leverage in the talks now under way in Geneva to restrict existing Soviet medium-range missiles.
- A weakened American hand in the Strategic Arms Reductions Talks. Administration officials maintain that building the MX is the only hope of getting the Soviet to agree to limits on their large land-based missiles, that are deemed to be the cause of the vulnerability problem in the first place. Without the MX, there is no trade.

If the Administration cannot sell Dense Pack, Pentagon officials say they will retreat to the "interim" solution they proposed six months ago, deploying the MX in existing silos. Given the scale of new strategic nuclear programs, even they acknowledge deterrence seems assured and that they may now have bought time.

If all else fails, the Administration could well decide just to leave the complicated and expensive basing schemes to the indefinite future. The cost for 200 missiles in existing silos would only be about $10 billion, and it is true that the MX would go a long way toward negating Soviet numerical advantages in land-based missiles. It would also keep European feet to the fire on medium-range missile deployments and maintain bargaining chips in the arms control talks. But doing the MX alone is a solution only if the problem of land-based missile vulnerability is seen as less and less important.

Western Boomtowns Make Soft Landings

Falling Energy Revenues Put Rainy Day Plans Into Action

By WILLIAM E. SCHMIDT

DENVER — During the 1970's, the rush to develop new domestic sources of raw materials and energy touched off a storm of mining and oil exploration throughout the Rocky Mountain region. Thousands of workers swarmed into scores of remote mountain villages.

As a result, officials in Colorado, Wyoming and several other states, aware that busts have often followed other such booms in the region, began a series of initiatives broadly described as "impact mitigation." Increasingly, demands were made on the private sector — the various mining and energy development companies tapping the region's resources — to help pay for the new schools, roads and sewage treatment plants needed to serve the sudden flood of workers.

In Evanston, Wyo., for example, a consortium of some 40 mining and energy companies agreed to spend more than $1 million to help the town hire planners, build new softball diamonds and construct houses needed for workers drawn by oil and gas exploration along the nearby Overthurst Belt. In Challis, Idaho, the Cyprus Mining Corporation, a divison of Standard Oil Company (Indiana), prepaid $4.5 million in property taxes to help build sewer and water lines, as well as a new sewage treatment plant. The company is building a molybendum mine 30 miles southwest of the remote community.

The payments made by the companies take a variety of forms, including direct grants, interest-free loans and the prepayment of taxes. Though most mining and energy companies have come to regard impact assistance as part of the cost of doing business in the region, officials say that many firms make such payments grudgingly, and often consider them a form of blackmail by state or local officials who threaten to withhold siting permits.

At the same time, state governments set aside pools of money, often drawing on revenues raised by taxes or fees imposed on the miners and drillers, to be used as a source of direct grants to communities. Once it reaches the towns, the money is used to help pay for everything from planning assistance to extra police officers.

In recent months the energy boom has largely faded as a result of the slumping economy and the depressed market for metals, oil and synthetic fuels. Many small Western towns are being forced to retrench, the victims of decisions by far-away corporations to either throttle back or shut down new mining and energy projects. Buffeted by layoffs and the loss of construction payrolls, private developers who had hoped to cash in have been left badly exposed. Merchants who expanded their stores have been stuck with stiff mortgage payments and with little or no new business. Property values have plummeted.

But while many public facilities now stand under-utilized or idle, many of the communities are not as bad off as they might have been. "It used to be that the city or county would go into debt to pay for the new schools, roads and sewers, and then the company would say, 'Well, we're sorry, but we're leaving,' " said Colorado Gov. Richard D. Lamm. "But things have changed. The local taxpayers aren't left holding the bag the way they would have been 20 years ago."

All over the Mountain States, today's boom town has often been tomorrow's ghost town. The abandoned silver and gold mining communities scattered throughout the Colorado Rockies stand as incontrovertible evidence of that. It was in part to break that cycle that Governor Lamm was among the first in the region to propose using state money, raised from levies on energy development, to help these communities keep up with the growth.

In Colorado, the royalties paid on the lease of Federal oil shale lands were set aside in a special community assistance trust fund. In addition, local agencies used their siting authority for new projects to extract promises of financial aid from companies.



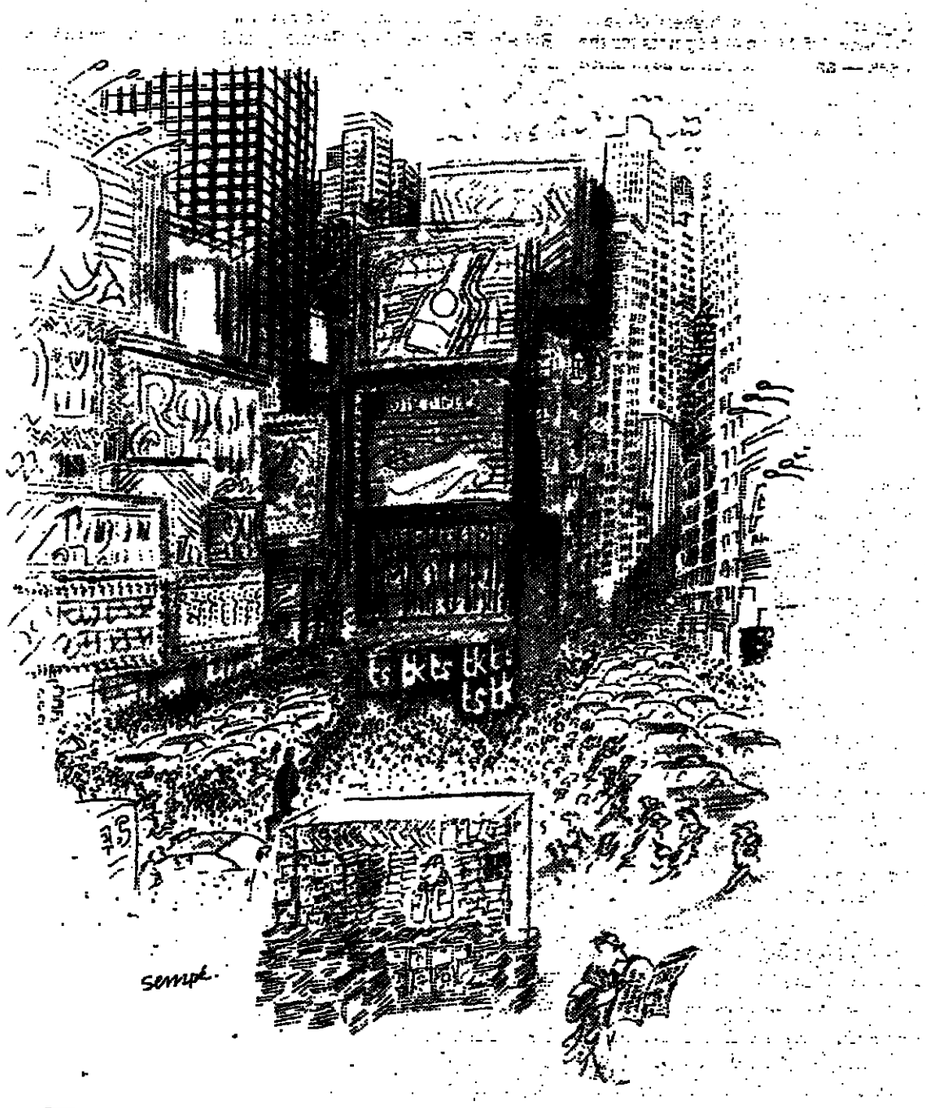
Black Star / Rich Clark
Unemployed shale oil workers in Parachute, Colo.

Perhaps the most dramatic example of the success of impact mitigation has been in northwest Colorado, where the Exxon Company USA a few months ago shut down the giant $5 billion Colony Oil Shale project. By most estimates, the project was expected to swell the tiny town of Parachute — pre-boom population 1,000 — by more than 25,000 people.

Despite millions of dollars spent on new public buildings, water lines and a new sewage treatment plant, taxpayers of Parachute and surrounding Garfield County were spared. Most of the money had come either from state trust money or direct grants from Exxon or the Union Oil Company of California, which is pressing ahead with its own oil shale facility north of Parachute.

Indeed, Exxon had absorbed the entire cost of carving a whole new town — Battlement Mesa — out of a dusty bluff just outside Parachute. Though work on both the oil shale facility and the new town has been abandoned, the cost of the new homes, apartments, stores and even a municipal golf course were all being absorbed by the company.

"We have basically avoided any public debt," said Ralph Freedman, the town administrator. Though he concedes Parachute now has a city hall that is far too large and a lot of excess sewer and water capacity, he figures the community is at least positioned for the next boom, which most folks in the town believe will surely come.



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The Economy

Prospects

Out of the Trough?

It's almost the end of the third quarter and the long-awaited recovery is still not here. In spite of efforts by the Administration and the Federal Reserve Board to bestir economic activity by lowering tax and interest rates, output remains sluggish, business payroll employment is at a three-year low and consumers still are not spending. Unless conditions change sharply over the next six weeks, some analysts say there may be no growth in the second half.

To initiate a solid recovery this year, consumer lending rates, which have stayed high in spite of a decline in key short-term rates, will have to fall significantly by the end of October, said Robert Gough, chief economist at Data Resources Inc., the forecasting firm. A further drop in mortgage rates is likely, he said, but bank worries about bad debts and profit margins are apt to keep other consumer rates high. With recent surveys showing a drop in consumer confidence due to high rates, that does not bode well for fall spending patterns.

More Money for the I.M.F.

As a rule, not much happens at the annual joint session of the International Monetary Fund and the World Bank. But with worries mounting about a seemingly unending parade of problem debts, private and central bankers are almost certain to make this week's meeting in Toronto an exception.

The task confronting them is formidable: how to reliquify the fund without rekindling inflation. It's clear that the I.M.F., the lender of last resort, needs more money, analysts say. The question is how much.

To cope with debt problems created by a lingering recession and high interest rates, a commitment to double the fund's resources to roughly $130 billion by the end of the decade is needed soon, says C. Fred Bergsten, director of the Institute for International Economics. But resistance by the U.S. and other industrial nations makes a rise of that magnitude doubtful. A more likely scenario is a rise of 15 to 25 percent, some experts say; to raise additional money, the fund may be given the right to borrow in international capital markets.

Fool's Gold?

These are good days for gold bugs. Falling interest rates and worries about deepening financial crises in countries as diverse as Mexico and Kuwait have been a boon for bullion. Since the end of June, prices have risen nearly 50 percent, to around $450 a troy ounce. And, with panic its major driving force, a further run-up could occur in coming weeks, analysts say. But the rise is not likely to be sustained.

Gold has been rediscovered by some traditional customers in the Middle East, but the Soviet Union, a major supplier, has been conspicuously absent from the market during the latest price rise, says Gregory Kipnis, chief economist at ACLI International. At some point the Russians will re-enter the market, causing prices to soften, he added.

Worries about the state of the international financial system may be justified, but Mr. Kipnis expects the panic buying to give way soon. In a market as mercurial as gold, he says, such doubts tend to be short-lived. Because fundamental supply and demand conditions remain unchanged, an end to the current uncertainty could push gold back down to around $300 by year-end, Mr. Kipnis predicts.

Kenneth N. Gilpin

WEEK IN BUSINESS

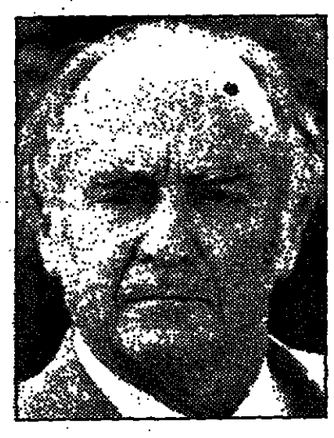
The stock market's rally continued as investors flocked toward quality stocks and gold in reaction to uncertain world banking conditions. On Friday, the Dow had it highest close of the year, 925.13, up 41.66 points for the week — and up 146 points days since mid-August. Friday's volume of 132 million shares was third-highest in market history. Gold also rose sharply late in the week, reaching $458 an ounce in New York on Friday, up $20 for the day — after a $32 rise Thursday.

Sanctions against companies that defied the U.S. ban on equipment for the Soviet pipeline to Western Europe will be sharply reduced, Treasury Secretary Regan said. Officials from Britain, France, West Germany and Italy met to seek a formula that would enable the U.S. to drop the ban.

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The unemployment rate held steady at 9.8 percent in August, matching the highest rate of the last 40 years, according to the Labor Department.

Mexico's Bank Seizure



Mexican President Jóse López Portillo (right), seeking to halt what he called the "looting" of Mexico through the flight of capital, nationalized the country's private banks. It was the most drastic economic measure taken by Mexico since the 1938 expropriation of foreign oil companies and prompted the resignation of the head of the Bank of Mexico. Mr. López Portillo, who leaves office Dec. 1, said that the banks had "betrayed us" by encouraging speculation against the peso, which has lost 75 percent of its value this year. However, he said the order would not affect foreign banks. Earlier, the central banks of 10 Western nations approved a $1.85 billion loan to Mexico.

The New York Stock Exchange

MOST ACTIVE STOCKS
WEEK ENDED SEPT. 3, 1982
(Consolidated)

Company	Sales	Last	Net Chng
Citi Svc	5,924,800	46⅝	– ⅛
IBM	5,746,300	72¼	+ 3¼
ATT	4,790,700	56½	+ 1
Exxon	4,625,300	28⅝	+ ½
Mart M	4,502,100	37⅛	– 3⅛
Citicrp	4,344,600	25⅝	– 1⅛
Sears	3,714,200	23	+ 1⅛
Sony Cp	3,399,200	14¼	+ ⅜
Hercule	3,037,100	20⅝	+ 1
Boeing	2,952,300	23⅞	+ 1⅝
Gen El	2,933,500	75⅛	+ 5⅜
G Mot	2,883,300	49⅛	+ 2⅜
Wm Cm	2,864,200	36½	– 2⅜
Es Kod	2,839,400	85⅛	+ 6½
Tandy	2,827,100	30¼	+ 2

MARKET DIARY	Last Week	Prev. Week
Advances	1,500	1,653
Declines	446	345
Total Issues	2,135	2,154
New Highs	459	545
New Lows	16	21

VOLUME (4 P.M. New York Close)	Last Week	Year To Date
Total Sales	434,406,112	9,590,899,502
Same Per. 1981	207,527,550	8,118,307,849

WEEK'S MARKET AVERAGES

	High	Low	Last	Net Change
New York Stock Exchange				
Indust	80.74	75.45	80.13	+3.91
Transp	63.16	58.67	62.77	+3.46
Utils	40.66	39.51	40.58	+0.77
Finance	69.09	68.19	68.59	+1.83
Composite	70.73	68.55	70.26	+3.03
Standard & Poor's				
400 Indust	139.8	128.5	137.4	+8.65
20 Transp	20.8	18.9	20.5	+1.13
40 Utils	57.6	54.9	57.0	+1.27
40 Financial	13.7	12.9	13.4	+0.35
500 Stocks	124.8	115.1	122.6	+5.57
Dow Jones				
30 Indust	940.4	872.4	925.1	+41.66
20 Transp	376.0	344.3	369.6	+19.86
15 Utils	118.2	113.0	117.2	+ 3.04
65 Comb	365.1	338.9	359.5	+16.06

The American Stock Exchange

MOST ACTIVE STOCKS
WEEK ENDED SEPT. 3, 1982
(Consolidated)

Company	Sales	Last	Net Chng
DomeP	3,683,900	3 5-16	– ⅛
Wang B	1,259,900	37¾	+ 3¼
ChmpH	1,041,600	3⅝	+ ⅛
RangrO	748,800	6¼	+ ½
Amdhl	588,100	24¼	– ⅞
GlfCd g	490,800	13¾	+ ⅝
AtlaCM	468,300	2⅝	+ ⅜
TubMx	370,300	1⅝	– ⅛
Verbtm	357,200	33	+ 4⅛
FrontHd	351,600	24⅛	+ 2

MARKET DIARY	Last Week	Prev. Week
Advances	504	687
Declines	283	143
Total Issues	920	930
New Highs	90	100
New Lows	15	31

VOLUME (4 P.M. New York Close)	Last Week	Year To Date
Total Sales	30,547,520	741,315,520
Same Per. 1981	25,685,510	945,958,155

China Starts to Play Its Oil Card

Despite risks, U.S. companies may help Peking tap its offshore energy riches.

By CLYDE H. FARNSWORTH

WASHINGTON

CHAIN-SMOKING his pungent Chunghwa cigarettes, China's Deputy Prime Minister, Kang Shien, arrived here with a startling message for the American Government in June 1979.

In meetings in Washington, New York, Dallas and Houston, Mr. Kang, then in charge of energy and economic planning for Peking, told the United States that China would spare no effort to explore for oil in coming years, and wanted American business to join in the adventure, and reap some of the rewards.

But while Mr. Kang commanded respect — he was, after all, the man who developed China's largest oilfield, at Taching — some of his American interlocutors greeted his promises with the I'm-from-Missouri skepticism that traditionally attends any discussions of "the China trade."

Now, more than three years after the interviews with former President Jimmy Carter, former Energy Secretary James R. Schlesinger and leading oil executives, and the receptions at the Embassy, government offices and corporate executive suites, the skepticism has been replaced by a cautious optimism.

The China National Offshore Oil Corportion has begun to let contracts for the exploration and development of China's continental shelf, which many oilmen believe represents the largest area of untapped offshore oil reserves in the world. Forty-six companies, half of them American, have already pumped $200 million into seismic surveys, and all but six of them are bidding on parcels totaling 100,000 square miles being offered in the South China Sea.

Two French companies — Elf and Total — have already signed agreements covering leases in the Gulf of Bohai, near Peking. And during a visit to Tokyo last May by Premier Hua Guofeng, the Japanese National Oil Company concluded a joint exploration and development agreement with the Chinese Government also covering leases in the Gulf of Bohai.

The most hopeful American officials envisage oil supply bases on the order of Morgan City, La., or Aberdeen, Scotland, all up and down the South China Coast. In three or four years, they believe, there could be as many as 30,000 Americans living and working in such coastal enclaves.

Other analysts are more cautious, and note that the Chinese can be hard bargainers when push comes to shove as contract-signing time nears. These analysts do not discount the possibility that American oil companies will walk away from China if her leaders try to extract too many conditions for their cooperation.

BUT some tempting numbers are being thrown about. China plans to spend about $11 billion in the next few years on new drilling production platforms, according to Stephanie R. Green, a Commerce Department aide. Aggressive American equipment suppliers are already moving in.

Brown & Root Inc. and Dresser Industries, the American company that recently ran afoul of the Reagan Administration because of its involvement with the Soviet Union's Siberian gas pipeline, have worked out accords to build pieces of offshore oil platforms. And China and the Baker Marine Corporation recently signed three contracts for joint construction of semisubmersible drilling rigs.

The South China Sea oil initiatives are just part of a freshly blooming commercial relationship between China and the United States that has already seen total exchanges quintuple from 1978.

Last year the United States sold $3.6 billion worth of goods to China and bought $1.9 billion in return.

This year the Commerce Department estimates that the United States trade surplus with China will narrow somewhat, with exports dropping to around $3.4 billion, and imports rising to $2.25 billion.

"China is our 20th-largest trading partner and represents our 16th-largest export market," said David Laux, who has just left the post of chief desk officer for China at the Commerce Department to join the staff of the National Security Council.

Although oil could become the cutting edge for a deeper relationship, experts warn against excessive exuberance. Peking has announced expansion programs in the past only to postpone or cancel some of the more ambitious projects. In mothballs, for example, is the $5 billion Baoshan Steel Works near Shanghai, which was being built with the help of German and Japanese technology.

But while China, by its own admission, bit off more than it could chew in plans for industrialization announced in the late 1970's, the retrenchment that has forced cutbacks in aluminum, petrochemicals, steel and other heavy industries is not expected to affect petroleum.

"The Chinese expect their oil investment could yield big export earnings toward the end of this decade," said David Denny, petroleum specialist on the Commerce Department's China Desk, noting one reason why petroleum development is likely to remain a high priority.

An "conservative" analysis in the China Business Review projected that by 1990 China's oil revenues could approach $16 billion in current terms, a sum equivalent to 23 percent of China's projected imports in that year. Oil exports now account for 13 percent of total imports.

Although the oil companies are close-mouthed about the results of their seismic surveys, industry officials suggest that altogether there could be more than 100 billion barrels in the offshore zone — not another Saudi Arabia but easily something approaching the North Sea. Proximity to the huge oil market of Japan gives the resources an added value.

Exxon was one of seven companies invited to make the offshore seismic surveys. C. B. Wheeler, vice president, producing, for the world's biggest oil company, said the unexplored continental shelf area "rates highly among exploration opportunities."

The other concerns that made surveys were Phillips, Chevron, Texaco, Mobil, Atlantic Richfield and Amoco.

China already exports about 300,000 barrels of oil daily, which last year earned it $4 billion in foreign exchange. But its onshore production has been declining, stimulating interest in tapping the offshore reserves both to maintain hard currency earnings and to provide fuel for burgeoning industries.

Peking, according to American analysts both inside and outside the Government, appears determined to come to terms with capitalists and capitalism as the only way to get its offshore oil on stream before this decade closes, lest China, as some experts predict, become a net importer of oil in the future.

One sign of the times: The 33-story, 1,000-room White Swan Hotel now being built, with Hong Kong capital, at Canton, the port city that, back in the last century, was the destination for British shipments of opium from India. Those shipments touched off the Opium Wars of the 1840's, wars that fanned early Chinese hostility against the colonial excesses of the "red-haired devils."

Now the White Swan, and other modern hotels, are designed to specifically cater to the tastes of Western businessmen — for the Westerner brings other things today.

"The Chinese need our oil know-how and investment," said one American Government negotiator, "and are so far willing to make the concessions necessary to get them." He added that before final contracts are signed and any offshore drilling begins, at least another six months of bargaining will be needed to settle a number of open questions, such as what share a company will get of the oil it produces and where control will lie over operational decisions, as well as broader budgeting and planning decisions.

The Chinese have already produced a model contract that combines elements of a joint venture and production-sharing arrangement, similar, oil industry experts say, to the workable contracts already in use in such countries as Indonesia and Norway.

"THE Chinese are embarking on an era of long-term cooperation with major Western companies that is unprecedented in scope and of tremendous significance for the overall economic and political relationship," said Nicholas H. Ludlow, research and planning director at the National Council for United States-China Trade. The Washington-based council, set up in 1973 after President Nixon's rapprochement with China, represents about 500 companies interested in China trade.

Meanwhile, China and the United States continue to sidestep differences and emphasize common interests to keep the relationship going.

Just a few weeks ago the United States and China agreed not to let even arms sales to Taiwan, which Peking has inveighed against, cause a rift. But Washington did accept, in a joint communiqué, limits on future arms sales to Taiwan.

Tang Ke, the former Minister of Metallurgy who took Kang Shien's place as Petroleum Minister last April, has told visitors that the first oil exploration contracts may be signed by the end of the year. (Mr. Kang is now a counselor of state, one of China's elder statesmen.)

Although American officials are a bit more circumspect over timing, there is general agreement that the formal signing will usher in a capital spending boom to meet needs for drilling rigs, workboats and tenders, helicopters and fixed-wing aircraft, warehouses, storage tanks, data processing centers, office complexes, expatriate housing and other facilities.

"These contracts," says John Ray, assistant United States trade representative, "will set the stage for investments" in the Peoples Republic of China "over this decade and the next."

Total capital requirements, according to calculations of William Lear, a vice president of the First National Bank of Chicago, could be of the order of $20 billion by the 1990's.

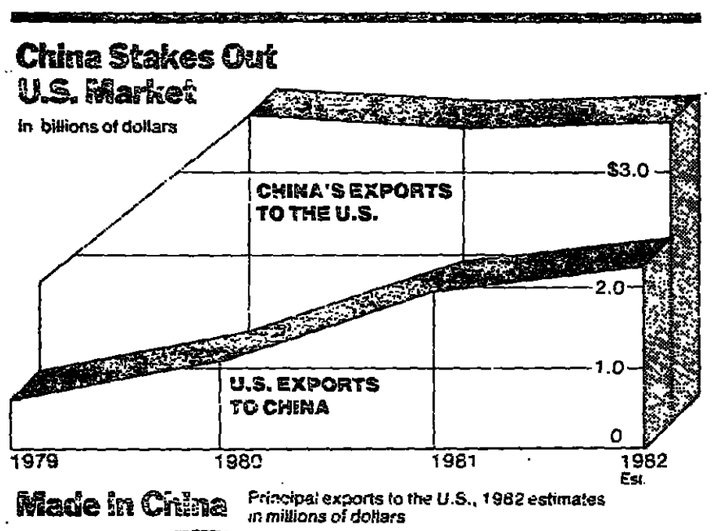
In an article in The China Business Review last March, Kim Woodward, president of China Energy Ventures, a Washington consulting firm, and Robert C. Goodwin Jr., an energy lawyer, predicted that $3 billion could be spent on the exploration phase, expected to last until 1985. Exploration is to be 100 percent financed by the companies.

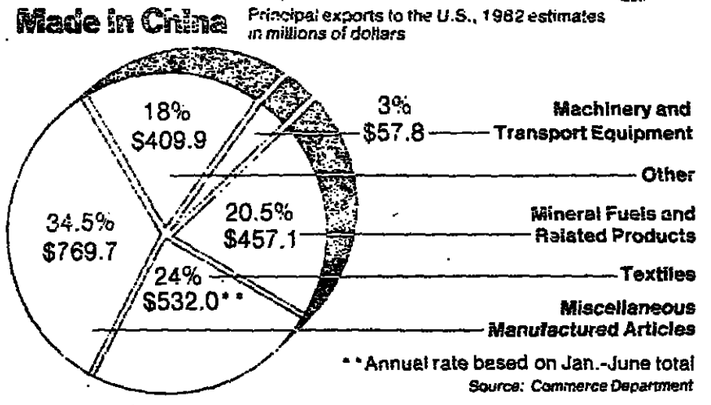
The Chinese are to put up 51 percent of the development costs once petroleum is found, according to agreements already reached, which means that China could become a major borrower in international capital markets. So far the Chinese, unlike most countries in the third world, have been reluctant to undertake major credit commitments.

According to Mr. Laux, they have a $28 billion line of credit with commercial banks but have used only $1.5 billion to $2 billion. "They have enormous resources of credit," he commented. In addition, the Chinese have access to money both from the International Monetary Fund and the World Bank. ■



Chinese oil workers in Shantung Province. Associated Press





CHINA TRADE: NO BED OF ROSES

Despite China's exuberance about its offshore oil potential, some Western experts say that American involvement in its development may not be an unmitigated bed of roses.

Their reasons range from the pinched cash flow of most companies to tough leasing terms by the Chinese to the unsettled nature of international relations.

"The appetite for China, while still pretty good, is not as euphoric as it was a year ago," Dillard Spriggs, president of Petroleum Analysis Ltd., contends.

And James Tanner, editor of Petroleum Information International, a trade publication based in Houston, goes further: "It's possible that some companies will dump China. It's definitely not as attractive as it was."

On the other hand, there is a basis for optimism about the 100,000 square miles of the South China Sea being offered by the Chinese Government for development. Scientists estimate that the area has an oil-bearing potential of up to 100 billion barrels.

But while seismic studies by a number of big companies may have confirmed this potential, they cannot confirm whether oil or gas are actually present.

"So far there's been nothing more than guessing off China," one analyst declared.

To this obvious uncertainty is added the substantially diminished amount of money that companies have available for capital spending this year, the result of the oil glut and lower prices. What's more, some of the contract demands the Chinese are making are deemed onerous by American oil executives.

Among other things, China wants foreign companies to train and employ large numbers of Chinese nationals, buy Chinese equipment and pay the cost of building port facilities.

And there is the mounting concern that Chinese internal consumption will grow to such an extent that less oil than thought will be available for export, if oil is indeed found. Indeed, a World Bank study last year suggested that China will be a major oil importer by 1985.

Douglas H. Martin

The New York Times

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A Bloody Chance for Peace

President Reagan's shrewdly cast peace plan for the Middle East is written in Lebanese, Palestinian, Syrian and Israeli blood. All who welcome last week's dispersal of the P.L.O. and the new Reagan approach to a West Bank deal had best begin by acknowledging the debt to Prime Minister Begin's bold and cruel march to Beirut.

Where there is no peace, even peacemaking turns on war. If you cheered President Sadat's visit to Jerusalem and his embrace of President Carter and Mr. Begin at Camp David, you were approving a course that began with his pre-emptive Yom Kippur attack. If you marvel at the blooming desert in Israel, bear in mind that it is indelibly stained. Or, if you argued for the legitimacy of Yasir Arafat's headquarters in Beirut, know that you were also legitimizing his bunkers under playgrounds and antiaircraft guns atop hospitals.

The point is that ending such a bitter conflict is not just a matter of semantic agility or shuttle diplomacy. To scorn the President's bid for accommodation, or to spoil it with excessive demands, is not only to waste this summer's sacrifice. It is to guarantee more vicious battle in the years ahead.

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Mr. Reagan pretends to cool mastery of the situation from his first days in office. But until last week, he had no policy. He wasted a year currying favor in Saudi Arabia and neglecting the Arab-Israeli tensions for a distant Soviet threat. He alternated flattery and punishment of the Begin Government without clearly distinguishing mutual interests from important disagreements.

The war in Lebanon dramatized the confusion: Mr. Reagan was unhappy with the attack, but not so unhappy that he did not recognize its potential benefit. The Israeli victory and Arab (and Soviet) helplessness reconfirmed the Sadat vision: America holds the key to both Arab and Israeli interests; they are best realized when tailored to America's interests, and to Israel's derivative power.

It is the custom of diplomacy to disguise this truth of force, but Americans should not again lose sight of the obligations thus incurred. Henry Kissinger grasped this brilliantly in the Nixon and Ford years; Jimmy Carter triumphantly applied the lesson. Finally Mr. Reagan has absorbed it, too.

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Never mind the details. The President and Secretary Shultz are now working overtime to persuade Saudi Arabia, Jordan, Egypt and Palestinians who will listen that the P.L.O.'s rejection of Israel and reliance on terror are at a bloody dead end. Such extremists must no longer be held out by the Arab League as the "sole" negotiators for Palestinian rights. Israel will not be defeated. To become accommodating it must have peace.

If the Arab leaders gathering in Morocco tomorrow draw the proper conclusion from Lebanon, they will not just pick over Mr. Reagan's proposals to find a favorable tilt or two. They will echo Mr. Sadat's cry of "no more war" and offer Israel firm security guarantees in exchange for an unthreatening Palestinian domain in the West Bank and Gaza.

Only then will the true spirit of Israel be revealed. The Israelis who marched into Lebanon have never heard the word peace except from Egypt. They know only that without peace, war decides all. Yet Israel yearns for peace. It will not long be governed by anyone who ignores that yearning or fails to recognize that Israel's first line of security passes through Washington. If Mr. Reagan persists and moderate Arabs accept his path to the table, the Israelis will be there.

The Airbag Cometh

It's the law of the land. Unless they are spared by an eleventh-hour stay from the Supreme Court, auto manufacturers will be required to build automatic restraint systems into their 1984 models.

The big question now is whether Detroit will meet the standard at minimum cost with inconvenient belt systems or shift to the superior but costlier "airbag" restraints. What's best for the country's drivers would probably also be best for General Motors. But Government may have to nudge the automakers in the right direction.

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The debate over how best to save lives in high-speed car accidents has been waged for two decades. Shoulder and lap belt combinations work fairly well. But less than 15 percent of all drivers buckle up, and safety experts have been pushing for more than a decade for "passive" systems that work even without the cooperation of the motorist.

Auto safety officials in the last four Administrations wanted either shoulder-lap belts that closed automatically or electronically triggered airbags that cushioned the shock in collisions. The auto companies, opposing *all* costly regulation, successfully stalled the law. The stall seemed to have paid off when the Reagan Administration decided that passive restraints, too, would be sabotaged by drivers and were thus not worth the cost.

But a Federal court quickly reversed that judgment, ruling that the National Highway Traffic Safety Administration had loaded the regulatory dice. By October 1983, it said, all new cars must come with passive restraints.

If, as is likely, Big Auto loses its final appeal, there'll be no rescue from Congress. The Senate is already on record against the automakers' stall. It is time, therefore, to shift the debate to what sort of passive restraints are best.

Belts that grab you whether you like it or not, like those that now come as standard equipment with VW Rabbits, have the virtue of very low cost. Airbags are less obtrusive, and work much better in high-speed crashes. But it costs a lot of money to gear up for airbag production; on just a few thousand cars a year, they would be very expensive. So unless Detroit decides to put airbags in several hundred thousand cars a year, only the affluent and most frightened drivers will be tempted to buy them.

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One hope for airbag fans is that foreign competition will force them on American manufacturers. Mercedes-Benz, which advertises airbags in Europe as "a good idea whose time has come," says it will meet the American requirement with airbags. Japanese companies may follow suit, embarrassing Detroit with another marketing coup.

Recent history shows that American automakers can't be relied on to pursue even their own enlightened self-interest. Better, then, to offer them an incentive in the form of a short delay — one year perhaps — if they agree in return to equip, say, a quarter of all new cars with airbags rather than passive belts. The deal could be arranged in court or with Congress.

Airbags can save tens of thousands of lives. And the more we make, the lower the cost. What are we waiting for?

Topics

Free Rides

Gravy Train Justice

Some New York subway riders may take odd comfort from knowing that Edward O'Grady, the former superintendent of quality control and new-car engineering, is a convicted extortionist. Budget shortages or mere mismanagement don't always explain a bad ride. Some of the discomfort makes more sense when a jury finds that the official took $33,000 worth of favors from companies doing business with the Transit Authority.

Less satisfactory is the explanation for letting the defendant off with a $10,000 fine and a year's probation. Judge Thomas Platt said "nothing would be gained" by giving Mr. O'Grady any time in prison, and that two fellow Federal judges he consulted agreed with him. He gave one reason for caution: this was the first use of the Federal extortion law against a public official who got meals, vacations and other gratuities rather than cash.

If Judge Platt — or any panel of jurists — thought the case belonged in a state court instead of Brooklyn's Federal court, the proper remedy was to dismiss the indictment. Higher courts can always say whether the Federal law should apply.

But once the defendant was convicted, he should have been sentenced on the basis of the crime he committed. The jury was told that Mr. O'Grady was only doing what others were doing. Judge Platt implied that he only did what other Federal judges would have done. All that may be right, but it's no defense.

■

Computer Guard

Sometimes we hear funny noises at the door and even funnier noises at the windows, and there have been moments when the sound of the refrigerator starting up has stopped our heart. Our nights are seldom serene.

We have owned a dog whose bark made up for his lack of bite. We have had locks of unnerving complexity and window gates of formidable weight and are experts at drilling a hole in a sash the better to insert a hefty nail.

We have had less luck with higher technology. Our cats kept triggering the fancy sensory alarm system. We once contemplated one of those eyes that are mounted on the wall and roam the room; it seemed to contemplate us back, so we rejected it.

Now we are intrigued by news of a robot that will listen for suspicious sounds, frighten intruders and summon the police if necessary. Several of them should be on the market in about two years and their manufacturers think they'll be nifty night watchmen in factories, warehouses and museums.

We know a place where they'll be even niftier: our home. And they'll be niftiest of all if programmed to say, as they pass the bedroom door, "Twelve o'clock and all's well. . . . One o'clock and all's well" and so on, all night long. A lullaby for urban man.

■

Plastic Trade-Off

It was a marketing coup. When virtually every other bank began charging annual fees for MasterCard and Visa accounts, the Bank of New York went against the grain. "Stop! Don't Pay a Fee," screamed the newspaper ads. "You Can Get Them Free!" Some 500,000 New Yorkers couldn't resist, tripling the bank's credit card business.

Now, just 19 months later, the Bank of New York has reversed field. New customers are to be charged a $12 fee immediately; come next January, all the old card holders will be billed for the same amount.

Why the change? "It's like everything else," said a bank spokesman. "I don't think anything free lasts forever." Neither, one might add, does customers' good will.

Letters

Supply-Siders Lose a Battle — and Win the War

To the Editor:

Representative Henry Reuss and the economist James Galbraith tell us that supply-side economics is sunk (Op-Ed Aug. 30), but the only proof they offer is that the President raised taxes.

While we supply-siders are not particularly thrilled with the tax increases, they by no means signal the end of the influence of supply-side economics on Federal economic policy. In fact, there is much to show that supply-side economics has truly won the war, if not this recent battle.

Consider that the freshest idea about taxes coming from Messrs. Reuss and Galbraith's political party is a flat-rate income tax. A flat-rate tax system is exactly what supply-siders favor — lower marginal tax rates in order to stimulate work, saving, investment and, therefore, economic growth.

In fact, a flat-rate tax has always been the ultimate goal of supply-siders because it reduces both marginal tax rates and tax code progressivity.

In addition, Senator Dole — who is no doubt regarded by Reuss and Galbraith as a close ally in the fight against supply-siders but whom I suspect to be something far different — has recently said that future tax bills must reduce tax rates.

A few short years ago, before supply-siders were on the scene, no one talked about tax rates; discussions centered instead on the standard deduction, personal exemption or rebates. This preoccupation with tax rates is common to all factions of the Republican Party.

Finally, Rudolph Penner of the American Enterprise Institute, a conservative economist, provides the best example of the predominance of supply-side economics. Penner writes this month that consumption is a better measure of what should be taxed than income because, among other reasons, a consumption-based tax would act as less of a deterrent to saving and investment.

The recognition that saving is important to the economy and that saving can be affected by changes in the tax system is as supply-side a notion as you can get; Keynesian economics always considered saving a drag on the economy, but to the supply-sider, saving is the key economic element that allows the simultaneous assault on high inflation and high unemployment.

While Reuss and Galbraith close their eyes tight to the direction of current economic advancements, they recall yesteryear in their baying for Government controls of wages, prices and credit. One would expect no less of this duo: having so badly interpreted the present economic debate, they advocate a return to a doctrine that history has proven to be flawed and that has failed.

MARK R. POLICINSKI
Washington, Aug. 31, 1982

The writer is a senior economist on the Congressional Joint Economic Committee (Henry Reuss, chairman; James Galbraith, executive director).

To the Editor:

Representative Henry Reuss and the Galbraiths, John K. and son Jamie K., have been vastly amused by the President's embrace of higher taxes as a cure for the economy. In approving, they pronounce supply-side economics a failure and, for good measure, throw in demand-side monetarism as a casualty too.

In Professor Galbraith's Aug. 25 letter and in the Reuss/ J.K.G. Op-Ed article of Aug. 30 there is much high-spirited chortling. But those who laff last, laff best.

Unless Professor Galbraith's memory is failing him, he should know that once before he had to eat crow on matters fiscal.

He was among those eminent Keynesian economists who in 1974 urged President Ford to slap a surtax on the economy to combat inflation. The Keynesian dissenter, Yale's Richard Cooper, urged a tax cut. When the President recommended the tax and the economy continued its slide into deep recession, ballooning the budget deficits in the process, Professor Galbraith had the good grace to write an essay for The Times saying Professor Cooper had been right and he had been wrong.

Now comes another Keynesian dissenter, Yale's Paul MacAvoy, arguing vigorously (in your Aug. 29 Business section) that both the supply-side and demand-side effects of the tax bill are destructive. Aside from the snickers, one wonders what the Galbraiths think about Professor MacAvoy's rigorous exposition.

One need never wonder what Henry Reuss thinks. As head of Congress's Joint Economic Committee these last 15 years, he has systematically recommended those economic policies that would have the greatest chance of damaging the economy. He faithfully advocates higher taxes on individual initiative, more printing-press money, Government controls on wages and prices, and costlier social programs.

His greatest achievement came in August 1971, when his J.E.C. recommended a devaluation of the dollar while then Treasury Under Secretary Paul Volcker was trying to persuade the world that we would not devalue. The Reuss-inspired international frenzy set off a central-bank run on our gold stocks and invited Richard Nixon's Aug. 15 closing of the gold window and subsequent breakdown of the international monetary system.

Eleven years later, the Congressman continues to argue for a cheapening of the dollar as a cure for our ills.

The good news is that Mr. Reuss retires from Congress this year, which promises that next year it will be much easier for the U.S. to get back onto the economic growth track that it left on his advice.

JUDE WANNISKI
President, Polyconomics, Inc.
Morristown, N.J., Aug. 30, 1982

To Punish a Draft-Registration Resister

To the Editor:

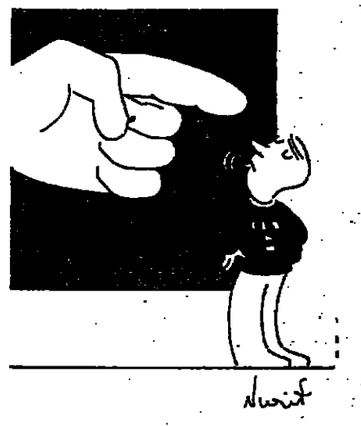
With the refusal of many young men to register for the draft (some say the number is as large as 600,000), our criminal justice system faces an almost impossible situation: You simply cannot prosecute, fine and jail such a large group, and to select a few to serve as an example seems arbitrary and unfair.

Most of these young men are simply expressing a misguided idealism, responding to peer pressure or demonstrating a lack of maturity. Still, they must be made aware that citizenship carries responsibilities.

I propose that those who refuse to register be ineligible to vote or to receive any public monies, such as student loans and unemployment benefits.

Since we often come to repent the folly of our youth, however, there should be a way of purging oneself of these disabilities, either by enlisting in the armed forces or by volunteering for some other form of public service.

There is one additional penalty, which, however, needs the cooperation of the various states — a draconian measure indeed in the eyes of an 18-year-old male: Deny any young man who has not registered for the draft his driver's license.



HUGH E. PAINE JR.
New York, Aug. 25, 1982

Satellite Weapons: The U.S. Priority Is Not to Lag Behind

To the Editor:

Alan Sherr's estimate of U.S. and Soviet capabilities to escalate the arms race in space ("Satellite Warfare," Op-Ed Aug. 27) is quite accurate, but his caveat that compliance with a star-wars treaty will be difficult to ensure makes his basic argument pointless.

Arms controllers about to confront the tangled subject of inner-space warfare must realize that advanced weapon systems are not the only danger to satellites; passive anti-satellite systems offer effective and cheap offensive capabilities.

A sophisticated and expensive Flash Gordon weapon is hardly necessary to destroy a satellite in low or high orbit when the job can be done just as well by a simple device that lurks inoperative in space until needed, then is maneuvered next to a target satellite and exploded. Such a weapon is infinitely less complex than the ones to which Mr. Sherr refers but does the job just as well.

Nobody has effectively addressed the question of how to monitor or even detect passive anti-satellite weapons, so negotiating a star-wars treaty that can be adequately verified will remain a dream for the foreseeable future. As it stands, space warfare is one area where we absolutely must not let the Soviets get ahead.

Mr. Sherr is quite right in his contention that communications and surveillance satellites are crucial to national defense, and if the Soviet Union is allowed to develop a unilateral capability to wage war in space, Washington may find itself unable to launch even a press release when a crisis develops.

This is not to say that arms control in space is unimportant. It is probably the only way to prevent the institutionalization of this new and frightening way to wage war, and we should pursue it aggressively. Verification is the key, however, and any star-wars treaty will be detrimental to U.S. security until this issue has been addressed.

PETER L. CACHION
Haverford, Pa., Aug. 27, 1982

Student Loans That Would Create a Generation Deep in Debt

To the Editor:

In an Aug. 15 letter, John Silber, president of Boston University, called for a federally financed "tuition advance fund," which would enable students to borrow large sums of money for college, paying it back over many years through the income tax.

This idea, usually referred to as the student loan bank approach, has been proposed by a number of people since the 1950's, beginning with Milton Friedman. It has always been strongly opposed by the overwhelming majority of spokesmen for both public and private higher education. Today, I know of very few people who support either T.A.F. or any of its many variations.

Here are some reasons:

• The plan means very high debts at a young age. In Mr. Silber's formulation, it would permit a student to accumulate by the age of 22 a $42,000 debt for his undergraduate education. If he or she married someone with a similar debt, the couple would begin their adult lives with a debt of $84,000. Is this wise public policy?

• Mr. Silber's plan is limited to undergraduate students and students at nonprofit institutions. Most other plans are not. Inclusion of other students (and higher interest rates, as in many plans) would increase both debts and Government costs. Indeed, a loan bank plan now being considered in Congress would require a young person who borrowed $20,000 to take on a debt of about $73,000 at the age of 22 — twice that in the case of a couple — to be paid back over some 30 years.

• The plan is likely to cost taxpayers billions a year and never to become self-supporting. While Mr. Silber assumes it would become self-supporting within a few years, his optimism appears to rest on an estimate made in a 1978 study that the Government would control tuition and other costs at all public and private colleges. Without such control, the study doubted that the plan would ever become self-supporting. No public or private college would support such control of costs. Other critics feel that the large initial Federal investments of capital, borrowed at fairly high interest rates, could never be paid back at the low rate Silber assumes students would pay.

• Most observers feel that hard-pressed Federal and state governments would cut student aid and raise tuition if a student loan bank existed — placing ever greater burdens on students and their families. Private and profit-making schools, as well as public colleges, would be under great pressure to raise their charges.

• Almost every other education spokesman prefers the present mix of relatively low public tuition and student aid. When an idea similar to Mr. Silber's was offered in Congress in 1979-80, it was almost impossible to find any public or private college leader to support it. After a single day of hearings, the idea was quietly dropped. Congressional leaders became convinced that it was costly and unwise.

While Mr. Silber and a few others continue to support some form of loan bank, spokesmen for all the major higher education groups, representing some 3,000 colleges, faculty and students, are working hard, with considerable success, to preserve the present grant and loan programs. So are Congressional leaders of both parties. Neither public nor private colleges want to see students stuck with high tuition and large debts.

Mr. Silber believes that T.A.F. could be limited so that debts and Federal costs would not be so great, but an idea once in the possession of Congress and the bureaucracy takes on a life of its own. His T.A.F. idea of 1977 was modified into a plan he did not like in 1979-80; there is every reason to believe this would happen again.

JOHN MALLAN
Vice President, American Association of State Colleges and Universities
Washington, Aug. 25, 1982

The Times welcomes letters from readers. Letters for publication must include the writer's name, address and telephone number. Because of the large volume of mail received, we regret that we are unable to acknowledge or to return unpublished letters.

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IN THE NATION

The Deterrence Myth

By Tom Wicker

Mayor Ed Koch of New York, who wants to reinstate the death penalty in New York, conceded in a recent debate with other gubernatorial candidates the possibility that an innocent person might be executed by mistake.

But, the Mayor insisted: "Think of the other side — the thousands of people who might be killed without that deterrent."

Well, the case of Robert A. Sullivan should be studied by Mr. Koch and others who believe "thousands" of murder victims would be spared by the supposed deterrent effect of the death penalty. The Sullivan case also suggests that if the Mayor or either of the Republican candidates brings capital punishment back to New York, the execution of an innocent man is not a remote possibility, but quite likely.

Mr. Sullivan, a 34-year-old white man, has been on Death Row in Florida since Nov. 14, 1973 — nearly nine years, longer than any of the other 1,024 persons now under sentence of death in this country. In those nine years the Sullivan case has gone through an exhaustive appeals process in state courts, twice reaching the Florida Supreme Court; through the clemency process before two Florida governors; and is now on a repeat trip through Federal courts that might bring it for a second time to the U.S. Supreme Court.

Even if all Mr. Sullivan's final court appeals were turned down, there still would be a chance, however unlikely, that Governor Robert A. Graham of Florida — or perhaps by then a third governor — might grant him clemency.

This record alone, although it is by no means untypical, raises the most serious objection to the fashionable "deterrent" theory. While it might seem "common sense" or "self-evident" that the threat of execution would make someone think twice before committing a murder or a rape, there is no substantial evidence whatsoever to support this myth.

In fact, if criminal justice authorities agree on any one thing, it is that the only real deterrent to crime — particularly to murder, which is most often a crime of passion — is the foreknowledge of *swift and certain punishment*. The case of Robert A. Sullivan is only one of many demonstrating that nothing is less swift or certain than the actual execution of someone under sentence of death.

All those appeals and hearings, moreover, have raised serious questions as to whether Mr. Sullivan did murder one Donald Schmidt as part of a robbery at the Homestead, Fla., Howard Johnson's Restaurant on April 9, 1973. For one thing, attorneys who replaced one who represented him inadequately at his trial have since been able to locate at least two alibi witnesses who swear that he was miles away from the Homestead Howard Johnson's at the established time of the robbery.

During that trial, moreover, the prosecution allowed the jury to get the impression that its principal witness had passed a lie-detector test; but it has since been established that, in fact, the witness was judged to have answered untruthfully on four of seven questions put to him.

Even if these and other questions about Mr. Sullivan's guilt fail to win him a new trial, his present attorney — Roy E. Black of Miami — argues that the imposition of the death sentence in the Sullivan case was unwarranted. Florida law requires a separate proceeding to determine whether a person convicted of murder should be sentenced to death.

At that second proceeding in the Sullivan case in 1973, the trial judge found *four "aggravating" circumstances* apparently justifying a capital sentence. When Mr. Black argued the case before the Eleventh Circuit Court of Appeals on Aug. 30, he put forward facts that he believes show the judge to have been incorrect on two of the four aggravating circumstances. If the circuit court agrees, Mr. Sullivan would win at least a new sentencing trial.

Thus, the Sullivan case not only shows how slow and uncertain — hence how poor a deterrent — is the process leading to the execution of a convicted person. It demonstrates, again not untypically, that the conviction may well be flawed by inadequate representation of the defendant, misconduct by the police or the prosecution, errors by the judge, a failure to gather and present all relevant evidence, or racial and other forms of prejudice.

All these factors are too prevalent in the criminal justice system, as most of those familiar with it acknowledge, for anyone comfortably to equate conviction with the kind of certainty that even its advocates demand in death penalty cases.

But with 1,025 persons on Death Row, many of them for years and many — like Robert Sullivan — approaching the end of all avenues of appeal, the Bureau of Justice Statistics is predicting "a spate of executions" in 1983. In that event, Americans will almost inevitably learn that they have sent one or more or many innocent people to the electric chair or the gas chamber; but no one will be able to present a shred of evidence that murder or rape or any other crime has been in the least deterred.

It Is Not Impossible To Deal With Castro. Realism Is Required.

By Wayne S. Smith

WASHINGTON — Cuba continues to have much the same effect on United States Administrations that the full moon reputedly had on werewolves. Perhaps there is no sprouting of hair, but a certain frothing at the mouth and loss of rationality are notable. Indeed, Cuba is such an emotional issue that clear and objective analysis is extremely rare. The Reagan Administration follows the pattern.

Certainly there is nothing new in its approach to Cuba. On the contrary, it seems determined to make past mistakes all over again, and again and again. It came to office striking fierce postures and warning that no option was excluded, not even blockade or invasion. In expecting Fidel Castro to be cowed, the Administration displayed an abysmal insensitivity to history.

For 20 years, Mr. Castro has successfully defied United States-sponsored invasion, assassination attempts, clandestine Central Intelligence Agency radio stations and efforts at destabilization. The Administration's posturing simply implies more of the same. There is no reason to believe such tactics will work any better now than in the past.

To be sure, as the Administration came to office, it faced serious problems in Central America that involved the Cubans. Firm but careful admonitions aimed at pointing the Cubans, the Sandinistas and others in the direction of real negotiations and peaceful solutions would have made good sense. Demonstrably, however, that was not the Administration's purpose. Having blown the situation out of all proportion by describing it as a major East-West test of wills, it was determined to demonstrate in no uncertain terms that it could "stop Communism in its tracks." It wanted confrontation, not negotiations.

In early 1981, the Administration acknowledged that Nicaraguan support for the guerrillas in El Salvador had been drastically reduced. Clearly, *Nicaraguans' accommodation of the* United States' concerns meant that they valued a continuing relationship with us, thus giving us useful negotiating leverage. Rather than using such leverage to good advantage, we threw it away. The Sandinistas had acceded to our demands, at least in part, but we cut off economic assistance anyway. We abandoned diplomacy in favor of confrontation and clandestine destabilization programs. The democratic opposition in Nicaragua — the very people we should have wished to help — told us this would simply make matters worse. It did.

We also rebuffed Cuban overtures. The Administration was not even willing to sit down to discuss an issue of such keen interest to us as the return of criminals and others ineligible for entry dumped on us during the Mariel sea-lift. The Cubans suggested discussions. We turned them down.

Our only tentative nod in the direction of dialogue came with Alexander M. Haig Jr.'s meeting with Carlos Raphael Rodriguez, Vice President of Cuba, in Mexico last December, and Mr. Castro's meeting with Gen. Vernon Walters in Havana last March. But these were only preliminary contacts made for the purpose of reiterating Washington's position — and, apparently, of turning aside pressures for serious negotiations. Neither meeting changed the equation in the slightest. By late spring, it was clear *that there was to be no follow-up. The* Administration was intent upon increasing pressures against, not negotiating with, the Castro regime.

Having thus turned our back on diplomacy, and with very little in the way of leverage to exert against Havana — little, that is, that we have not already tried — we are left in the same blind alley we have been in for the past 20 years.

If future United States policies are to have more success than those of the past, we must overcome emotionalism. Our policy must be geared to clear, realistic objectives and must result from careful thought, not kneejerk reactions. For example, a principal objective should be to reduce Soviet influence in Cuba. Yet, confrontation works directly against that goal. Mr. Castro cannot loosen *his* relationship with Moscow so long as he is threatened by Washington.

> The best hope for moderating Havana's policy is to demonstrate that compromise is in its interest

Our best hope of moderating Cuban foreign policy is in demonstrating over a period of time that compromise is in Havana's interest. In the final analysis, serious negotiations and a process of gradual engagement are the only sensible options open to both countries. Neither the historical record nor an objective analysis of the existing situation suggests that this is impractical. Indeed, gradual engagement is the one approach that has never been given a fair chance.

We cannot, however, expect miracles. No quick fix is possible. Mr. Castro is a convinced revolutionary and many of his objectives are antithetical to our own. Relations are likely to remain adversarial for a long time to come. But the areas of conflict could be reduced and a more satisfactory relationship gradually worked out. It is not impossible to deal with Mr. Castro. Sooner or later, Washington must do so, not because we like him but in order to advance our goals and interests.

The United States should apply to Cuba the same cautious yet realistic approach used toward the Soviet Union and other adversaries. As Secretary of State, Mr. Haig observed recently that while Americans could not expect any rapid reconciliation of United States and Soviet interests, the United States had to work toward that objective. Why not adopt the same attitude toward Cuba? The process would be slow and full reconciliation probably beyond grasp. But if we were at least moving in the right direction, that would be a vast improvement over the past.

Wayne S. Smith was chief of the United States' diplomatic mission in Havana from 1979 until his recent retirement from the Foreign Service. He is now a senior associate at the Carnegie Endowment for International Peace. This article is adapted from the fall issue of the journal Foreign Policy.

No. 1 Potemkin Plaza — the Rear Apartment

By Edwin Newman

The last few months have furnished no sadder spectacle than the decline of one of my sturdier, and as I had thought stronger-minded, friends. He feels that he can no longer hold up his head in public.

I first noticed that something had gone wrong when he gave up his credit cards and his checking account and undertook to make all his purchases for cash. Next, he ruled out visitors and began slinking about and looking no one in the eye. Soon after, he took to returning mail, even from his mother, marked "Not known at this address." I asked for an explanation.

It was his apartment. It was a pleasant enough place, but he had lately become aware of the remarkable grandeur with which New York City's apartment houses were named, whereas the building he lived in was identified only by a number on a street. For a while, he managed to shrug it off. Then he had some calling cards printed, and the printer unmistakably curled his lip. A few days later, when he opened a charge account at a leading department store, the clerk snickered at the modesty of his address and seemed to him to demand excessive proof of solvency.

"I could feel shame spreading over me," he said. "Why did I ever move into that joint? I ruined myself socially."

"I knew you were unhappy," I said, "but I've never seen you this low before. What did it?"

"It was an ad," he said, "for a building called the Van Horn Brooks. It made me realize how bare my life is. You can't be upwardly mobile with the kind of handicap I've taken on."

On the theory that the mere pouring out of troubles has some therapeutic value, I asked where he would like to be.

"Maybe some place with a French name," he said. "The Lausanne, or the Fontaine, or the Lamartine. Or the Courant would do, or the Camargue, or Le Premier. Or L'Ecole. Life should be a learning experience. At L'Ecole, I'd be on the *qui vive* as soon as I walked in. People would know I was an achiever."

"Okay," I said. "French. Anything else?"

"A building that resonates with the history of New York and its great families — the Belmont, or the Schuyler Arms, or the Van Rensselaer. Nobody can even spell Van Rensselaer. Live there and you're somebody. Then there are all those places that make you think of England, like the Churchill and the York and the Barclay and the Highgate and Claridge's. And the Renwick. A Scottish name." He shook his head admiringly. "That's class," he said. "Class."

I nodded as sympathetically as I could.

By now he was in full flight. "The Olympic Tower," he said. "The Plymouth Tower, Gateway Plaza, Rivertower, the Bamford, the Regent, the Fairfax, Asten House, Imperial House, Envoy Towers, the Ambassador East, Broadmoor, the Atrium East, Mayfair Towers, Crystal House, the Vermeer." He paused. "Think of it — the Vermeer. Or Stimson House. Every time you went into the building, you'd be paying tribute to a great American."

I tried to shorten the conversation. "You must have some favorites," I said.

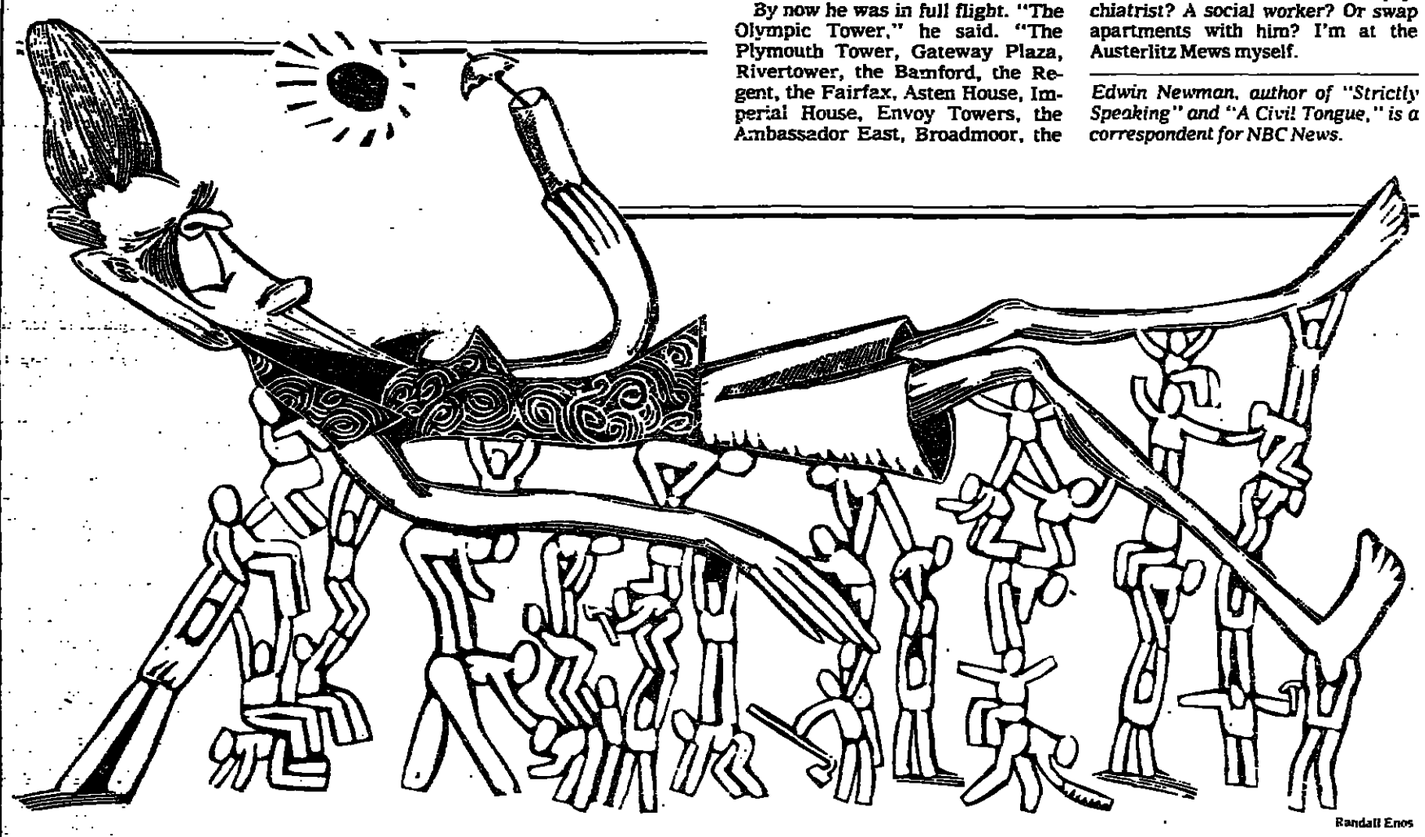
He nodded. "There's the Avatar. Do you know what an avatar is? It is an exemplar or archetype, an entity regarded as an extreme or notably complete manifestation of its kind. In Hindu mythology, it is the descent to earth of a deity in human or animal shape, and it is used as a generic form for the incarnations of Vishnu. That's a building you'd be proud to live in."

"Any others?" I asked.

"Just one. If I had my choice, I'd take the Carlton Regency. That has a ring I like. That has style." He stopped, rose, and drifted off with a dreamy look in his eyes. "Meet me at the Carlton Regency," I heard him murmur. "You'll find me at the Carlton Regency." I could hardly make out his words as he headed for home. "My address in the city is the Carlton Regency . . . the Carlton Regency . . . the Carlton. . . ."

I've let the situation rest since that last conversation. Shall I call in a psychiatrist? A social worker? Or swap apartments with him? I'm at the Austerlitz Mews myself.

Edwin Newman, author of "Strictly Speaking" and "A Civil Tongue," is a correspondent for NBC News.



Randall Enos

Constructed by Davids, Occupied by Goliaths

By Harry Goldsmith

UPPER MONTCLAIR, N.J. — Camp David, the Presidential retreat, *has been very much in the news.* We've see Ronald Reagan strolling through the woods with the Secretary of State, and Congressmen were invited there when the President wanted to persuade them of the soundness of his tax increase.

I wonder whether the President, as he walks in the cool mountain wilderness of Camp David or relaxes in one of its rustic log cabins, is aware that he is enjoying a facility that was built by unemployed youth of two generations ago — members of the Civilian Conservation Corps. One of the earliest New Deal programs, the C.C.C. was established by Congress in 1933 to combat unemployment during the Depression.

Until the C.C.C was terminated in 1942, it provided useful work and vocational guidance for a total of three million unemployed single young men through conserving and developing our country's natural resources.

Even as President Reagan relaxes at Camp David, he cannot help but have on his mind the hundreds of thousands of youth who are unemployed today. Perhaps it may occur to him that an answer to this blight on our society is to revive the C.C.C. program.

Camp David was not always a Presidential retreat. In the summer of 1940, my family and I spent a glorious week's vacation in this wilderness wonderland. It was then called Camp Hi-Catoctin and operated as a low-cost vacation camp for Federal employees and their families. The cost was $14 per week per adult, $7 for children; meals, lodgings and all recreational facilities were included.

There was room for only 72 guests in the camp's 18 long cabins, nestled unobtrusively among the pines, so it did not take long for us to turn into one big family.

Life at Camp Hi-Catoctin began at 7 A.M. with the bong of a gong. Breakfast was served family-style at 8 in a large dining and recreation hall. Most campers were on time for meals because life in the woods developed quite an appetite. Those few who straggled in late were greeted with a hiss.

After breakfast, campers swam in a pool of crystal-clear continuously filtered spring water, hiked, rode horses or used the craft shop or dark room. Others played badminton, Ping-Pong or softball — or settled down to some serious loafing. In the evenings, campers gathered for dancing, movies, singing or lectures on nature and the stars that filled the night sky.

Camp David is a shining example of what unemployed youth can create when given the opportunity. Through forest and wildlife protection, flood control, soil conservation, development of new state parks and recreational areas, and similar activities, the C.C.C. added to the nation's material wealth and well-being, the benefits of which are being enjoyed to this very day, even by the President.

The C.C.C. not only conserved and enhanced our natural resources but also conserved and enhanced our youth at a time of severe unemployment.

There are hundreds of thousands of jobless youth today who would also benefit if Congress revived the C.C.C.

Harry Goldsmith, a retired patent attorney, visited what is now called Camp David when he was an examiner in the United States Patent Office.

Labor's Enemy: Labor

By Herbert Hill

MADISON, Wis. — Much has been written about the decline of organized labor. But in one crucial respect — the willful neglect of the rights and needs of minorities — organized labor has become its own worst enemy. A case in point is the sad history of Local 3 of the International Brotherhood of Electrical Workers, an A.F.L.-C.I.O. affiliate.

In 1971, when electrical contractors in New York City were barred from bidding on municipal construction contracts because of discriminatory apprenticeship practices, Local 3 entered into an agreement with the city to conduct a training program to prepare black and Hispanic workers for union membership and jobs. This program, subsidized by public funds, was the culmination of more than two decades of minority protests against Local 3, which controls all hiring in its *jurisdiction in the metropolitan area.*

On April 23, 1982, the New York State Division of Human Rights found Local 3 guilty of unlawful discrimination. It found that black and Hispanic trainees were required to work 11 years before they could reach class A journeyman status as compared to five years for white apprentices, and that nonwhite trainees were taught from obsolete text books and with a curriculum different from that used for white apprentices. The state investigation also revealed that black and Hispanic trainees were denied the fifth year of classroom instruction normally provided for apprentices. *The extra year is necessary to* succeed in the union examination for class A membership status, essential for obtaining skilled jobs at journeymen's wages.

This case is important not only because it demonstrates, along with many other cases, the bankruptcy of the A.F.L.-C.I.O.'s commitment to equal rights but also because it reveals how union discrimination has become more complex. Not long ago, construction unions openly excluded nonwhites; now they use "outreach *training programs" to keep the crafts* lily-white. Across America, Federal courts have found A.F.L.-C.I.O. unions guilty of a variety of other unlawful practices that are responsible *for perpetuating the exclusionary pat*tern in the skilled trades.

In 1955, the American Federation of Labor and the Congress of Industrial Organizations merged into a single federation. An extensive litigation record indicates that each affiliate continued racial practices traditional in that union long after the merger and that the effect of A.F.L.-C.I.O. policy upon affiliated unions was virtually nil. Despite its announced devotion to civil rights, the new federation did not initiate internal changes of racial practices. *On the contrary,* the federation and its affiliates repeatedly resisted pressure to eliminate discrimination.

This was characteristic of referral unions in the crafts, which excluded blacks, as well as of industrial unions, which admitted nonwhites into membership but discriminated against them in seniority and job promotion.

The emergence of large numbers of black, Hispanic and other nonwhite workers, together with the dramatic movement of women into the labor force, has drastically changed the composition of the working population — a population largely outside organized labor's ranks. But the A.F.L.-C.I.O.'s basic commitment remains to the white male worker in a collective-bargaining unit. In a few unions, women and blacks have been appointed to symbolic positions where they exercise little, if any, internal influence. A major example is the International Ladies Garment Workers Union, where a white male leadership, though impotent in relation to employers, perpetuates its domination over a membership consisting mainly of Hispanic, Asian and black women workers.

It should come as no surprise that A.F.L.-C.I.O. declarations on racial bias are routinely ignored by affiliates, which understand that such pronouncements are necessary public-relations gestures with no implications for internal enforcement.

As a result of highly publicized revelations of union corruption, the A.F.L.-C.I.O. in 1955 adopted an ethical practices code and established an ethical practices committee. The committee's last meeting of record was in December 1959. In response to a request for a copy of the code, one is informed by the federation's headquarters in Washington that it is out of print.

Unless organized labor transforms itself into a social movement with broad goals, it will continue its decline. If it is transformed, the character of a dynamic new movement will be expressed most significantly in its active and special concern for the problems of racial minorities and women in the work place and in the community.

Herbert Hill is professor of industrial relations and Afro-American studies at the University of Wisconsin, in Madison. He is former national labor director of the National Association for the Advancement of Colored People and author of "Black Labor and the American Legal System."

Ah, for the Days When Talkies Really Talked



Culver Pictures

June Allyson and Peter Lawford in "Good News"—"dialogue worthy of the Croix de Guerre"

By STEPHEN HARVEY

In "Sunset Boulevard," that indelible sampler of Hollywood guignol, the ex-movie diva Norma and Desmond spends day after batty day musing over that fateful moment when the movies found their voice. "We didn't need dialogue! We had faces!" proclaims Norman, in Gloria Swanson's best wicked-witch-of-Beverly-Hills purr, then pitches her imperious profile into the light thrown by her home projector to prove it. To William Holden's Joe Gillis, a hack screenwriter for the talkies she hates, Norma mutters, "You made a rope of words and strangled this business." The irony, of course, is that Norma brandishes her own words, duly strung together by Charles Brackett and Billy Wilder, like a triple strand of glistening black pearls. From her first appearance ("I am big. It's the pictures that got small") to her final farewell, hissing "I'm ready for my close-up" as she lurches down the staircase of her Moorish-Gothic palazzo, Norma's lines are every bit as eloquent as the deranged arch of Gloria Swanson's eyebrow. What was intended in 1950 as a eulogy to the distant epoch of silent film now stands as a testiment to that faraway time when pungent movie talk was still paramount at Paramount.

Today the proper catch phrase should be, "We don't need dialogue! We have E.T.!" From era to era, fashions in movie talk have undergone as many shifts as our daily spoken slang. The arch epigrams and saucy wisecracks of an earlier time have segued into explosive expletives, or bursts of gee whiz naivete.

Nowadays, talk is increasingly relegated to the role of ungainly handmaiden to the imagery or special effects. Whether they've focused on aliens plucked from the ozone, or Italian stallions from Philadelphia, the most popular recent films have traded on phenomena for which words are inadequate or superfluous, rather than behavior, which is revealed in the way people communicate with each other. If the scanty dialogue in these movies is barely discernible through the Dolbyized cacophony on the sound track, it may not be entirely accidental. A predominance of talk threatens to typecast a movie as highbrow or archaic, and neither trait is likely to thrill the core of the mass movie audience.

When sound films began, far more contemplative types than Norman Desmond decried the invasion of all that talk on the pristine silence of the movies of the 20's. Silent film directors from D.W. Griffith to Rene Clair voiced fear that henceforth the movies would be a mongrel medium, paralyzed and polluted by the microphone. As early as 1928, the Soviet filmmaker and theoretician Sergei Eisenstein signed a manifesto which balefully predicted that "sound-recording is a two-edged invention, and it is most probable that its use will proceed along the line of least resistance . . .commercial exploitation of the most salable merchandise, Talking Films."

Eisenstein's proposed antidote to what he dismissed as "photographic performances of a theatrical sort" was an asynchronous use of sound, juxtaposed as an aural counterpoint to the film image. Eisenstein hoped he may have had less to do with the shock of hearing mere noise coming from the screen than with the delight of that sharp distillation of our own vernacular, crackling over the soundtrack. The movies — especially those tough guy farces and melodramas which emanated from Warner Bros. during the Depression — both reflected and shaped the lingo spoken by the millions who thronged to them week after week. The machine gun snarlings of James Cagney or Edward G. Robinson weren't exactly the plebeian parlance you were likely to overhear on 10th Avenue. (For one thing the Legion of Decency would never have allowed "The Mayor of Hell" to use some of the more fragrant phrases common to the real Hell's Kitchen.) But the cadences of their speech were familiar enough to persuade the fans that they too could speak in that same snappy shorthand, if only they'd been blessed with the witty reflexes of these stars (or their unsung screenwriters.)

Dialogue on a more elevated plain was provided by those phalanxes of New York playwrights hired to add a Broadway patina to Hollywood's machine-tooled product of the day. Those who took their work most seriously soon learned that screen dialogue required a more laconic, streamlined approach than did writing for the stage. One who took that lesson to heart was Samson Raphaelson, whose velvety banter was seamlessly incorporated into the satiny universe of such wry comedies as "Trouble in Paradise," "The Shop Around the Corner," and "Heaven Can Wait," all directed by Mr. Raphaelson's movie mentor, Ernst Lubitsch. In a more somber vein, Sidney Howard, whose plays included "They Knew What They Wanted" and "The Silvered Cord," was equally adroit. Mr. Howard's screenplay for "Dodsworth," based on his own stage adaptation of the Sinclair Lewis novel, contained some of the most literate yet fluent writing ever done for the American screen. When the hero (played by Walter Huston) receives a letter from Fran, his pretentious wife, explaining that she is remaining in Europe on an extended spree, a friend who can't make out all of Fran's handwriting, asks for an explanation. "That's the way they write sevens in Europe," he replies quietly, and that's that — you know Fran is lost in her delusions and has alienated him forever. At their final meeting some reels later, the unregenerate Fran tries to persuade him that despite himself, Dodsworth can't help loving her, to which he retorts, "Love has to stop somewhere short of suicide" — the devastating last line he utters in the movie.

Of course, adapting a classy property like "Dodsworth" took skill, but to give a fresh sound to the formula staples the studios ground out weekly required a particular brand of genius. The trick was to convince moviegoers that even if they'd seen it all before, at least they hadn't heard it put quite that way the last time around. Every genre called for its own brand of verbal body English to make the clichés resonate. For romantic melodramas, writers were needed who could whip swill into froth so deliriously moist that it was beyond bathos. Casey Robinson, the high priest of Bette Davis at Warner's in the late 30's and early 40's ("Dark Victory," "The Old Maid," "All This and Heaven Too") was a champ at this kind of calligraphy, as represented by Miss Davis's astronomical aphorism at the fadeout to "Now, Voyager": "Let's not ask for the moon. We have the stars."

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The genre which always proved most resistant to refurbishment was undoubtedly the musical. One can only marvel at the ingenuity with such writers as Allan Scott wrought variations on the rigid plot strategies of the Fred-and-Ginger movies during the 30's. Later on, Betty Comden and Adolph Green met like challenges with admirable gusto. Although they're enshrined in the aficionados' hearts for having written "Singin' In The Rain" and "The Band Wagon," probably the two best movie musical scripts ever, Comden and Green really deserved the Croix de Guerre for their debut assignment at M-G-M's Arthur Freed unit. Their task was to jazz up the inflated pigskin musical "Good News," which had previously been filmed (wretchedly) in 1930, and their strategy was simple — just make the football hero's lovelorn student tutor a whiz at French, and then pepper the script with tortured Gallicisms. The heroine's rival for Peter Lawford's attentions betrays her unworthiness every time she opens her affected mouth; she tries to say "What a shame" in French, and what comes out is "Quel Fromage." June Allyson's accent may be more Bayonnaise than Parisian, but her heart is in the right place. Stood up for the prom, she's comforted by a sorority sister who offers to stay behind and keep her company. No thanks, sighs June, "I'll just sit here and read my favorite book — 'Les Miserables.'" Just a piece of *gateau* for Comden and Green.

Resourceful dialogue writers were indispensable for that most glittering screen staple of the 30's and 40's, romantic comedy. For this genre, necessity bred ingenuity, because once movie censorship became more stringent after 1933, verbal wit became a euphemistic synonym for explicit eros. In comedies like "The Thin Man," the charge which united a couple like William Powell and Myrna Loy's Nick and Nora Charles was the fact that they spoke the same wry language. Leo McCarey's peerless film titled "The Awful Truth" is about an estranged husband and wife who can't face the hard fact that they are a perfect match. We're not deceived for a minute — not only are Cary Grant and Irene Dunne the most attractive people in the movie, but their respective new playmates can't hope to keep up with their volleys of urbane sarcasm. Miss Dunne's newest flame, a landed cowpoke from Oklahoma, prompts Mr. Grant to remind her that when things get dull on the ranch, "You can always go to Tulsa on weekends." Upon meeting his new honey, a chirpy chanteuse with a fake monicker, Miss Dunne remarks, "It's lucky she changed her name, so the rest of her family didn't have to go and change theirs."

In the movie lexicon of courtship, such bitchery was Screen Writers' Guild code for undying passion. Its best practitioners earned their long-term studio contracts by making the caustic wisecrack the American equivalent of the lofty alexandrine. Preston Sturges, the reigning celluloid cynic of the 40's, aimed particularly lethal darts of repartee in such predator-meets sucker revels as "The Lady Eve." Surveying the latest victim of her seductive brand of slaughter, con-woman Barbara Stanwyck muses, "I need him like the ax needs the turkey." (Henry Fonda, playing the fowl in question, is reduced to such hapless ripostes as "Gee, you're a funny kind of a girl for a guy to meet who's been up the Amazon for a year.") In tandem with Charles Brackett, and later I.A.L. Diamond, Billy Wilder's barbs ranged from the coy ("I always put iodine on people when I bite them," explains Claudette Colbert to her wounded spouse in "Bluebeard's Eighth Wife.") to raucous ("It's as red as the Daily Worker and twice as sore" — Miss Stanwyck again, concerning her ailing throat, in "Ball of Fire").

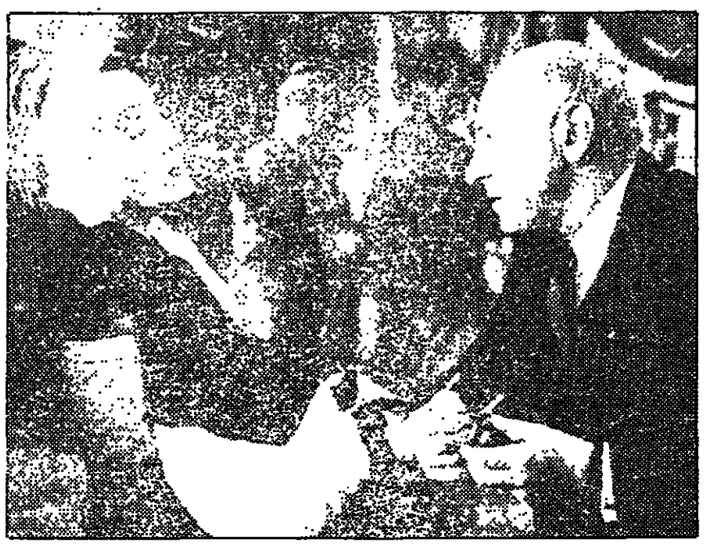
When Mr. Sturges and Mr. Wilder took to directing their own scripts, it was not so much to broaden their horizons, as to insure that not a syllable of these slangy *bons mots* would be mangled by some interloper with ideas of his own. Another writer-director hyphenate, Joseph L. Mankiewicz, ("All About Eve," "The Barefoot Contessa," the aptly named "People Will Talk") suffered those detractors who claimed that nobody in the world spoke with the polysyllabic relish of his gabfests, except for Joseph L. Mankiewicz. Certainly you had to have some sympathy for an actor like Hugh Marlowe, playing Eve's authorial mouthpiece, as he navigates through dialogue like "I shall never understand the process by which a body with a voice suddenly fancies himself as a mind. . . it's about time the piano realized it has not written the concerto!" Still, Mr. Mankiewicz could show the common touch when the occasion warranted.

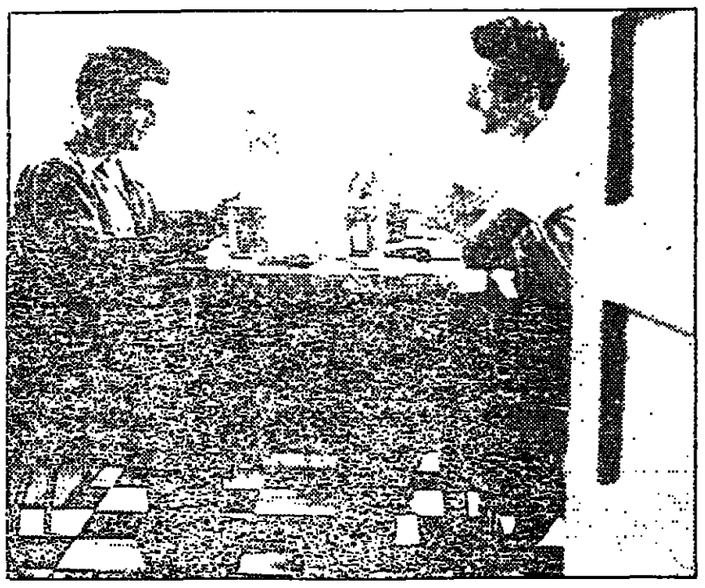
It's hard to pinpoint exactly what made the verbal felicities of writers like Mr. Mankiewicz and Mr. Wilder seem increasingly outmoded in the last few decades. Acclaimed contemporary filmmakers such as John Cassavetes and Robert Altman championed a different, "more naturalistic" sound in their movies. (Mr. Altman's "McCabe and Mrs. Miller," with its sound track deliberately blending all conversation into an indistinct background hum, was the epitome of this artfully belabored brand of realism.) Such innovations had been preceded by a shift in celluloid role models, mirroring as ever the shifts in our society beyond the confines of the screen. For three decades now, the mannerisms of a new breed of screen icon, encompassing actors from Marlon Brando to Sylvester Stallone, have fostered the notion that halting inarticulateness was the hallmark of screen sincerity.



Culver Pictures

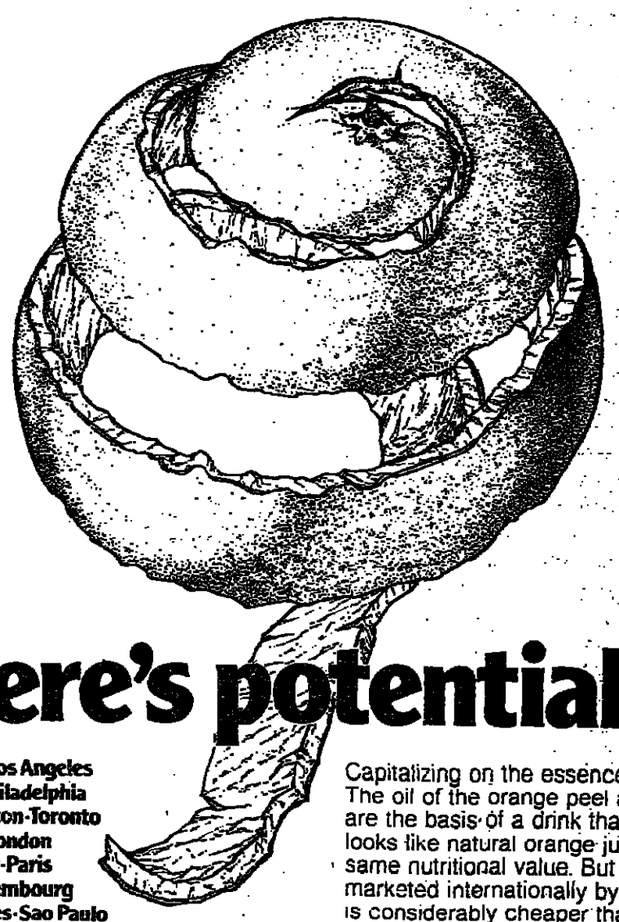
Walter Huston in "Dodsworth" (1936)—"memorably phrased"





At top, Gloria Swanson and Cecil B. DeMille in "Sunset Boulevard," a 1950 film with "words strung together like a triple strand of glistening black pearls." Above, Joe Pesci and Robert De Niro in "Raging Bull" (1980), marked by a "parochial spareness of writing."

Stephen Harvey is the coordinator of special film projects at the Museum of Modern Art's Department of Film.



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Begin to Reagan:

A friend, an ally, doesn't behave like this

Text of letter sent yesterday by the premier to the U.S. president.

Jerusalem, September 5, 1982

President Ronald Reagan
The White House
Washington, D.C.

Dear Ron,

I thank you for your letter of August 31, 1982, which Ambassador Lewis was kind enough, upon instruction from his government, to bring to me to Nahariya, now free of rockets and shells.

I enclose, herewith, the resolution of the cabinet, September 2, 1982 (issued by the G.P.O. on that date — ed.), adopted unanimously. As each of the paragraphs is elaborated I have little to add except to state — taking, if I may, a leaf from your book — that the government of Israel will stand by its decision with total dedication.

I have also read your speech which preceded by 24 hours the cabinet consultation with my colleagues. It serves as an additional testimony to your opinion, or resolve.

Indeed, my friend, great events did take place since we last met in Washington in June. May I, however, give you a somewhat different description of those events.

On June 6, 1982, the Israel Defence Forces entered Lebanon in order not to conquer territory, but to fight and smash the armed bands operating from that country against our land and its citizens. This, the I.D.F. did. You will recall that we could not, regrettably, accept your suggestion that we proclaim a cease-fire on Thursday, June 10, at 6.00 hours because at that time the enemy was still 18 kilometres from Metulla on our northern border. However, 24 hours later, we pushed the enemy further northwards; and on Friday, June 11, at 12 noon, we proclaimed a unilateral cease-fire, rejected by the terrorists. So the fighting continued; and on June 27, we suggested that all the terrorists leave Beirut and Lebanon — which they eventually did, with the help of the important good offices of Ambassador Habib, many weeks later. In the intervening battles, Israel lost 340 men killed and 2,200 wounded, 100 of them severely. Also in the battles — following the rejection of our appeals by the Syrian army not to interfere — we destroyed 405 Soviet-Syrian tanks (among them nine T-72's, considered in N.A.T.O. circles to be "invulnerable"); we downed 102 Soviet-Syrian MIG's (including one MIG-25), and smashed 21 batteries of SAM-6, SAM-8 and SAM-9 — a deadly weapon.

Yet in your letter to me and in your speech to the American people, you did not, Mr. President, even mention the bravery of the Israeli fighter nor the great sacrifices of the Israeli army and people. The impression one could have gotten was that Mr. Philip Habib, with the help of the expeditionary units, achieved the result. It is my duty to tell you, Mr. President, that I was struck by the omission. I state a fact; I do not complain.

What I do protest is the omission to consult us prior to forwarding your proposals to Jordan and Saudi Arabia, the former an outspoken opponent of the Camp David accords, the latter a complete stranger to and an adversary of these accords.

As there was no prior consultation, the United States government could have taken the position that the "West Bank" should be reassociated with Jordan. What some call the "West Bank", Mr. President, is Judea and Samaria: and this simple historic truth will never change. There are cynics who deride history. They may continue their derision as they wish, but I will stand by the truth. And the truth is that millennia ago there was a Jewish kingdom of Judea and Samaria where our kings knelt to God, where our prophets brought forth the vision of eternal peace, where we developed a rather rich civilization which we took with us, in our hearts and in our minds, on our long global trek for over 18 centuries; and, with it, we came back home.

By aggressive war, by invasion, King Abdullah conquered parts of Judea and Samaria in 1948; and in a war of most legitimate self-defence in 1967, after being attacked by King Hussein, we liberated, with God's help, that 'portion of our homeland. Judea and Samaria will never again be the "West Bank" of the Hashemite kingdom of Jordan which was created by British colonialism after the French army expelled King Feisal from Damascus.

At Camp David we suggested — yes, it was our initiative — full autonomy for the Arab, or Palestinian inhabitants, of Judea, Samaria, and the Gaza district, with a transitional period of five years. It is a generous suggestion offering the widest scope of autonomy existing on earth in our time, as I have had occasion to prove to prominent guests whom I have received in Jerusalem from France, Italy and Belgium, who know something of autonomy.

The matter of security is of paramount importance. Geography and history have ordained that Judea and Samaria be mountainous country and that two-thirds of our population dwell in the coastal plain dominated by those mountains. From them you can hit every city, every town, each township and village and, last but not least, our principal airport in the plain below. We used to live penned in eight miles from the seashore; and now, Mr. President, you suggest to us in your proposals, that we return to almost that same situation.

True, you declare that you will not support the creation of a Palestinian state in Judea, Samaria, and the Gaza District. But such a state will arise of itself the day Judea and Samaria are given to Jordanian jurisdiction. Then, in no time, we and you will have a Soviet base in the heart of the Middle East. Under no circumstances shall we accept such a possibility ever arising which would endanger our very existence. Mr. President, you and I chose for the last two years to call our countries "friends and allies." Such being the case, a friend does not weaken his friend, an ally does not put his ally in jeopardy. This would be the inevitable consequence were the "positions" transmitted to me on August 31, 1982, to become reality.

I believe they won't.

"For Zion's sake will I not hold my peace, and for Jerusalem's sake I will not rest." (Isaiah, chapter 62)

Yours respectfully and sincerely,
Menachem



Premier Begin and President Reagan confer on the White House grounds during Begin's visit in June.

FIERY CRASH

(Continued from Page One)

reportedly arrived at Josephtal within 45 minutes.

Three other passengers who were treated for light injuries and released from Beersheba's Soroka Hospital said they saw the van only at the moment of impact. "We held tight to our seats when the bus overturned and this is probably why we weren't badly hurt," said one.

Another said that most of the severely injured passengers had been sleeping at the time of the crash and thus could not brace themselves for the impact.

The third told of waking to the crash: "I was sitting in the seventh row and I fell asleep. Suddenly, just as the van hit I woke up, smashing into the seat in front of me. I lost consciousness and when I woke up the bus was burning. I kicked out the window and crawled out as fast as I could."

Of the 37 bus passengers taken to Josephtal in Eilat, 19 were treated and released. Three of the 18 still hospitalized last night were listed in serious condition and eight in satisfactory condition, among them a couple returning from their honeymoon.

Eilat was stunned by news of the crash and hundreds of residents gathered at Josephtal Hospital seeking the names of the injured. Most of the injured were men and women soldiers who live in Eilat and were returning to their bases.

Upon hearing of the crash, members of Egged's management in Tel Aviv drove to visit the injured in Beersheba and Eilat. Negev police said that since all three drivers were killed, there could be no further investigation of the accident.

During the week before yesterday's Arava road crash, 16 persons were killed and 165 injured — 63 severely — in 132 traffic accidents throughout the country.

Full moon and music

By YOHANAN BOEHM

Festival Diary

Mendelssohn: "Elijah," oratorio, with Arleen Auger soprano; Mira Zakai, alto; Werner Hollweg, tenor; Bernd Weikl base-baritone; Shmuel Gorfein, boy soprano; the Berlin Concert Choir, the Scottish Choir, the Zamir Choir, Jerusalem, the Neve Shir Children's choir, Petah Tikva; the Jerusalem Symphony Orchestra, Gary Bertini conducting (Thursday, Auditorium, Sultan's Pool, Jerusalem, September 2).

AN OPEN-AIR performance can never create the concentration of sound and atmosphere of a closed hall, but the unsurpassable scenery at Sultan's Pool, with Mount Zion and the walls of the Old City as background, compensates for any shortcomings in communication. Acoustic conditions are satisfactory; only a few very soft orchestra passages and the lower register of the two female soloists occasionally got lost. Apparently we shall have to live with the echo.

It seemed as though this concert was held not for the audience's benefit but for that of German and Israeli television. Dan Kaner's patronizing requests for cooperation were surely out of place since he made them of paying public. At the very least, he should have announced the names of the soloists; no programmes were available.

The performance was adequate, the massed choirs making an impressive picture and transmitting rich and compact sound. All the soloists sang well. Elijah might have done more to bring out the emotional and tragic accents of his role. The oratorio was not cut, which resulted in boredom, particularly towards the end. But as the apotheosis of Elijah coincided with the rise of a full moon over Mount Zion, lovers of atmosphere were richly compensated.

TOKYO CHAMBER OPERA with members of the Israel Chamber Orchestra, conducted by Nahoki Tanaka and Uri Segal (Jerusalem Theatre, September 2). "Tarubai" (the Slave Trader), a Kyogen Operetta; Benjamin Britten: "Curlew River," a Church Play based on Noh.

TWO CONTRASTING examples of the Tokyo Chamber Opera's repertoire were presented; a so-called Operetta, that actually was a brief, entertaining farce and a gripping and most impressive Church Play by Benjamin Britten.

The pronunciation of the opera's English generally was so Japanese, that only occasionally could words be recognized. The Japanese of the operetta came over clearly only it's a language I do not understand.

Michio Mamia's music to *Tarubai* seemed easy on the ear and fitting to the stage action; its intrinsic value can not be gauged for lack of comparative knowledge.

Benjamin Britten was inspired by a Noh play he saw in Japan, and a friend adapted the action to a medieval church setting. The music is an intriguing blend of Gregorian-like chant with Britten's own inspired inventiveness. The voices of the actors were all splendidly trained and fitting to their parts; the sombre staging and spare but extremely intense acting had impact on a completely absorbed audience.

Uri Segal conducted an ensemble scored for harp, viola, doublebass, flute, horn, harmonium and percussion in flawless cooperation with the actors. The dark, monochrome colours of the music and the costumes — even the musicians were clad in monk's habits — achieved the intended effect. The presentation deserves acclaim. This programme alone made the Israel Festival a worthwhile endeavour.

Today at the Israel Festival

Jerusalem: American Repertory Theatre with *Sganerelle* at the Jerusalem Theatre, 8:30 p.m. American Repertory Theatre, *Cabaret*, Jerusalem Theatre, 11 p.m.

Tel Aviv: Dance, Stravinsky, Mann Auditorium, 8:30 p.m. Jerusalem Evening, Cameri Theatre, 9 p.m. and 11:30 p.m. Neve Tzede, *Cycle*, 8:30 p.m. Tokyo Opera, Tel Aviv Museum, 4:30 p.m. Vermeer and Kalichstein, Tel Aviv Museum, 8:30 p.m. Jazz at Tel Aviv Hilton, 9 p.m.

Other: Beit She'an, Kei Takei and the Kibbutz Dance Company, 8:30 p.m. Beersheba, Ollantay Argentina, at the Beersheba Theatre, 8:30 p.m. Beersheba Jazz at the Beersheba Theatre, 10:30 p.m.

DEBATABLE HAPPENING

By URI RAPP

THE Neve-Tzedek Theatre Group's contribution to the Israel Festival is a show called *Cycle* — subtitle: "A work in movement and theatre" — by Ruth Ziv-Ayal.

It will confuse spectators for two reasons. First, they will keep asking themselves what it is. It isn't dance, even though the actors move on the stage to a pre-set choreography. It isn't theatre, although the actors impersonate certain figures and tell some kind of story. It isn't pantomime, despite the fact that there is movement and no verbal text — only staccato noises made by the actors. There is no music, but there is an enjoyable play of lights (Ben-Zion Munitz).

You might end up deciding that it doesn't really matter what it is and what label ought to be attached to it, as long as you like what you see.

And here we come to the second problem: this is the kind of show that inspires extreme reactions. Some will like it very much, and call it a great experience. Others will find it boring, pretentious, repetitive.

It is almost impossible to come to a definite conclusion if you try to weigh the pros and cons without taking sides. In the present writer's opinion, the pros outweigh the cons! I would suggest you see it, if only to be able to quarrel about it with your friends.

WHAT WE ARE shown are three scenes which depict three stages of humanity. The first portrays primeval life, whether of pre-human creatures or human foetuses and newborns is up to you to decide. The second scene shows youth, young love and pairing off. The third shows the long journey of life, ending with death and sorrow, and perhaps a fresh start.

The story-line is thus very simple; some generalized, abstract notions about life with a capital "L" are translated into body language. The whole performance is heavily symbolical, with every symbol spelled out in very explicit movements. This is a weakness; nothing much is left to the imagination.

And on top of that, the whole event is described at length in the programme, both in Hebrew and in English, as if the director had little faith in the intelligence of the audience.

The written text denies that this is a set of symbols and asserts that there is freedom of interpretation. But it contradicts itself by interpreting a set of symbols in detail. And, anyway, having seen the show, I cannot agree with these two statements. So if one is looking for a new idea or an original and creative presentation of a well-known idea in this kind or experimental happening, one will be disappointed.

ON THE OTHER hand, the goings-on exert their own kind of fascination. The interesting thing is the relationship between the actors and the material: earth, or rather sand, and water.

The movement of the earthbound creatures digging themselves into the sand, kicking the sand around and throwing it into the air and at each other in the first scene, and the ritual washing and bathing of the group of boys and the group of girls (separately) in the spring and pool of water in the second scene are done well; and the use of sand and water adds a dimension not usually seen in dance or pantomime.

The second scene is the climax: the fresh awakening of youth, the relations of the boys among themselves and of the girls among themselves, and then the different boy-meets-girl situations are quite movingly done.

However, even though the acting was good, there was one thing about the youth awakening scene that taxed my patience. The boys and the girls were heavily stereotyped, almost unbelievably so for 1982. All the boys were fresh, boisterous vigorous, slap-happy; all the girls were demure, soft, smooth and caressing. Or, at least, this was the main impression. There were very few nuances in this part, though there were some interesting ones in the courting scenes.

The actors appeared to be enjoying the experience and acted with great ability and aplomb. Most of them are very young professionals. Gabi Aldor, who is also assistant director of the show, is an actress and choreographer. And Nurit Stern is a well-known dancer with the Bat-Sheva Company. Ruth Zvi-Ayal is a choreographer and teaches movement.

Despite the reservations I mentioned, they deserve praise for hard work and a challenging kind of theatre experience.

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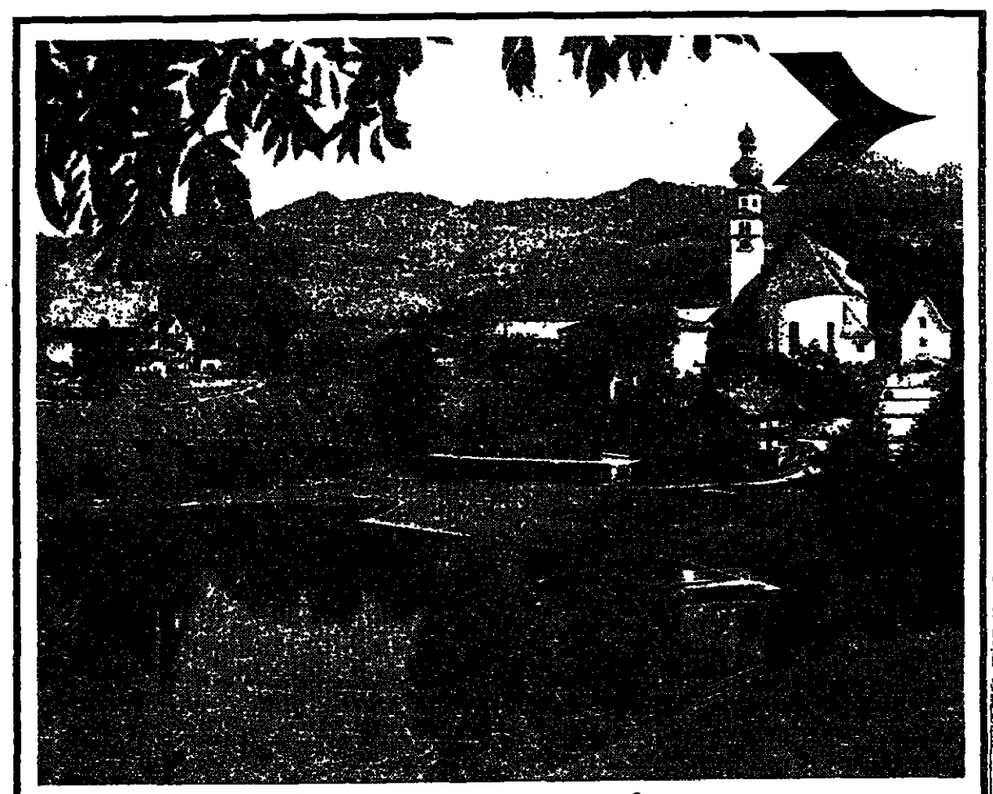
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Berman pushes for coal

By MACABEE DEAN

TEL AVIV. — The Energy Minister yesterday called on the country's industrialists to strive for the introduction of coal. "If you want to be more competitive on world markets, you will have to convince our local ecologists of a few simple facts," Yitzhak Berman told the executive of the Manufacturers Association. "First, oil *mazut* releases four times as much sulfur as coal when it is burned. Second, much of dangerous smoke from coal is trapped in the chimney, which is not the case with oil.

"Let's stop this hysteria — which has even penetrated some government offices — about the dangers of coal." At present, he noted, only one plant, the Hadera Power Station, was using coal. Berman rejected criticism, raised by Avraham Goldwasser of the Association, that industrialists here had to pay more for their fuel oil and for electricity than their counterparts abroad, thus making Israeli made goods more expensive.

"True," Berman said, "the latest hike brought the price of fuel up to $213 a ton, while in countries like Belgium and Italy, it is only $210 and $202. But this impression of a price discrepancy is an illusion. Industrialists pay in shekels, not in dollars, and after a few weeks, due to the falling value of the shekel, Israelis are paying less than their competitors in Europe."

As for the high price of electricity, Berman noted that it was 6.3 cents a kilowatt hour in Israel. This was indeed more than in some places abroad, but it was cheaper than in others. "At any rate," Berman stressed, "the Japanese pay 7 cents a kilowatt hour — and they don't seem to have any problem competing."

Negev Phosphates bent on expansion

Jerusalem Post Reporter

TEL AVIV. — Despite the worldwide recession in fertilizers, Negev Phosphates is going ahead with its long range development plans, managing director Yosef Shalit told the board recently. The company belongs to Israel Chemicals, which in turn is government-owned.

He admitted not only that prices abroad had fallen, but that it was hard to sell in general, which resulted in stockpiling here in Israel. Moreover, profits had fallen considerably. While they were IS71m. in 1980/81, out of a total income of IL922m., they had fallen to IS64m. in 1981/82, out of a total income of IS1,911. Thus, if inflation is taken into account, profits last year were half of what they had been in 1980/81.

"Nevertheless, we believe that the current recession, which is part of a business cycle, should not be allowed to affect the company's growth and long-term development schemes. We intend to continue this policy in view of our main objective of achieving maximum profits in the future while promoting the industrial development of the Negev region."

Production of phosphate rock, the main product, grew from 1,816,000 tons in 1978/79 to 2,494,000 tons in 1980/81 and to 2,523,000 tons in 1981/82.

Income from this rock and from other items, such as phosphoric acid, came to $122.8m. in 1980/81, and climbed only a bit, to $125.4m. in 1981/82. However, the number of workers increased from 1,500 in 1980/81 to 1,670 last year.

Shalit did not reveal how much Negev Phosphates plans to spend on expansion by the end of the decade other than the $10.5m. which was invested in 1981/82, and some $32.3m. in the current year. He did note, however, that production of phosphate rock by the end of this decade should reach five to six million tons; phosphoric acid, now being produced at an annual rate of 100,000 tons, would grow to about 500,000 tons.

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and his
QUARTET



AIRTO MOREIRO
AND FRIENDS
Percussion



ALLEN VIZZUTI
Trumpet
and RED METAL

OPENING TONIGHT 6.9.82, 9 p.m. at the TEL AVIV HILTON

4 performances from 9 p.m. ...

Tuesday, Sept. 7, 8.40 p.m.	Thur., Sept. 9, 7 p.m.	Wed., Sept. 8, 8.30 p.m.
CAESAREA AMPHITHEATRE	JERUSALEM, SULTAN'S POOL	BEIT SHE'AN AMPHITHEATRE

Tickets are available at:

Jerusalem
Jerusalem Theatre box office
20 Marcus St. Tel. 02-667167, and Jerusalem ticket offices

Tel Aviv
Tel Aviv "Hadran" ticket office.
90 Ibn Gvirol St. Tel 03-248787 and other Tel Aviv ticket offices

Haifa
Haifa Theatre Box office.
50 Pewsner St. Tel 04-670970 and other Haifa ticket offices

THE ISRAEL FESTIVAL JERUSALEM 1982
1.9. — 19.9.

Today, Mon., Sept. 6
JERUSALEM
American R.T. Sganarelle
J'lem Th., 8.30 p.m.
American R.T. Cabaret
J'lem Th., 11 p.m.
TEL AVIV
Stravinsky — Dance,
Mann Aud. 8.30 p.m.
J'lem Evening.
Cameri Th., 7, 9.30 p.m.
Tokyo Opera, T.A. Museum, 4.30 p.m.
Vermeer Quartet & Kelichstein
T.A. Museum, 8.30 p.m.
Musical, Neve Tzedek, 7, 10 p.m.
Kei Takei & Kibbutzim,
Beit She'an, 8.30 p.m.
Ollanty Argentina, B'Sheba, Th., 8.30 p.m.
Secular Evening,
Migdal HaEmek, 8.30 p.m.

★ *The public is requested to pay attention to programme changes due to technical reasons.*

★ Thanks to AVIS

★ Foyer performances — Carmel Carpets

Tomorrow, Tue., Sept. 7
JERUSALEM
American R.T. Lulu,
J'lem Th., 4.30 p.m.
Pan-Ra, Khan J'lem, 11 p.m.
Shdemati, Sultan Pool, 8 p.m.
TEL AVIV
Stravinsky — Dance,
Mann Aud., 8.30 p.m.
Secular Evening, Cameri Th., 8.30 p.m.
Tokyo Opera, T.A. Museum, 4.30 p.m.
Jazz — Caesarea, 8.30 p.m.
Vermeer Quartet,
Ein Hashofet, 9 p.m.
Ballet Recife, Kfar Saba,
Culture Aud., 8.30 p.m.
Ollanty Argentina, Upper Nazareth,
Community Centre, 9 p.m.
Westside Story, Ein Harod,
Amphitheatre Mikhal, 8.30 p.m.

The public is requested to pay attention to programme changes due to technical reasons.

Tickets: Tel Aviv: Hadran; Haifa: Haifa Th., J'lem: J'lem Th., For Galilee — Graber, Haifa. On the eve of performances at box offices.

Reductions for students and soldiers at box offices on eves of performances.

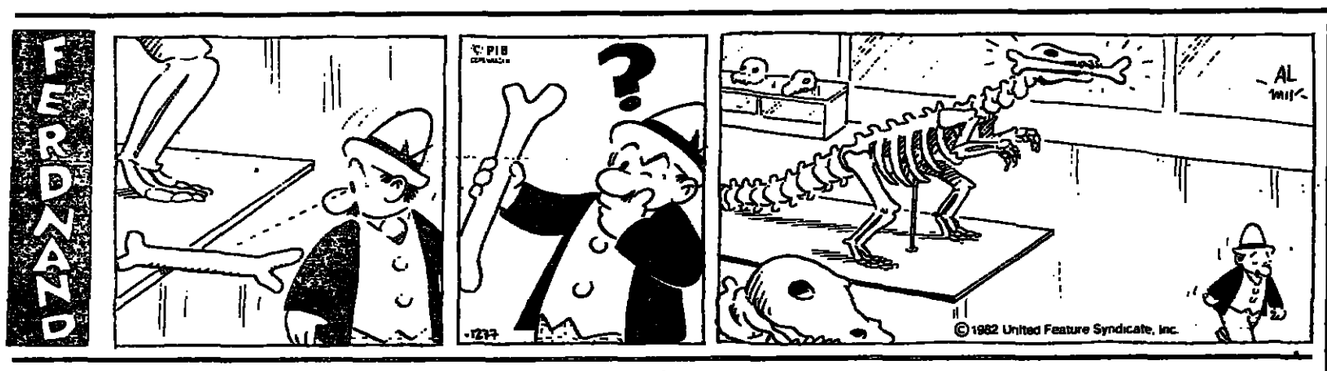
Fire destroys Jerusalem laundry

Jerusalem Post Reporter

A fire caused millions of shekels worth of damage at a commercial laundry on Rehov Agrippas in Jerusalem's Mahane Yehuda quarter on Friday night, a fire department spokesman said yesterday.

Sixteen firefighters fought the blaze for more than an hour before bringing it under control at about 7:30 p.m. The first alarm came in at 6:30 p.m., and the firefighters and their 16 vehicles did not leave the scene until after 10.

The laundry, owned by Haim Rubin, was almost completely destroyed.



TWO-IN-ONE CROSSWORD

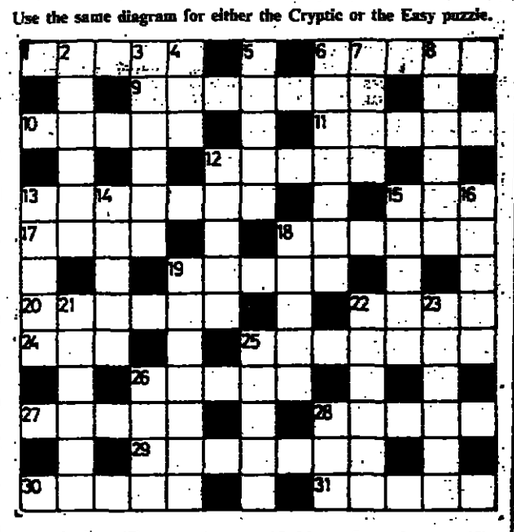
CRYPTIC PUZZLE
ACROSS

1 By getting an ass out of a big hole (5)
6 He's in general pharmacology (5)
9 Where G.K. lost weight (7)
10 Daniel's half dead enemy (5)
11 Look unhappy when there's only one vessel left (5)
12 Old Jack's vessel (5)
13 Scented product made by mountaineers (7)
15 Water in south-east Asia, initially (3)
17 A measurement in a rain chart (4)
18 Creatures exclaimed to be alive (6)
19 Water, though outwardly food (5)
20 It may be calmer in Israel (6)
22 Present? Give it to me! (4)
24 A sound name for a colour (3)
25 Those of trousers in which are more money? (7)
26 He's wily about *sterling* (5)
27 Apply to be given first knock? (3, 2)
28 That homely fellow with Joyce? (5)
29 Flier given new heart by Alice (7)
30 Geographical possession of the wild Danes? (5)
31 Any disturbance around the street is unpleasant (5)

DOWN

2 Where you'll see me get a gun out (6)
3 Is such broth alcoholic? (6)
4 A novel pronoun (3)
5 The advantage of a cassette recorder (5)
6 Cancel an order for cinders (7)
7 Perpendicular church feature (4)
8 Redskin staying with uncle? (6)
12 A ring bringing £50 to Ken, possibly (5)
13 The last place to fight? (5)
14 Cut a ten twice? (5)
15 Not all huskies are heavenly! (5)
16 Fuel no longer in usable condition (5)
18 Not safe, sad to say (5)
19 Beasts possibly requiring nil in fees (7)
21 Time for tints (6)
22 Our man's cigar place (6)
23 Modern centre, maybe (6)
25 Declare one's right to many an object (5)
26 I enter a new pew to give it a polish (4)
28 For whom jankers are too much (3)

Use the same diagram for either the Cryptic or the Easy puzzle.



EASY PUZZLE
ACROSS

1 Staple food (5)
6 Long creat (5)
9 Enigmas (7)
10 Offspring (5)
11 Saltpetre (5)
12 Yorkshire city (5)
13 Set in position (7)
15 Wager (3)
17 Watched (4)
18 Urge (6)
19 Employing (5)
20 Quantity (6)
22 Alcoholic brew (4)
24 Chop off (3)
25 Rumour (7)
26 Clean vigorously (5)
27 Large house (5)
28 Large river-birds (5)
29 Encourage (7)
30 Under (5)
31 Stage remark (5)

DOWN

2 Seldom (6)
3 Approximately (6)
4 Performed (3)
5 Said further (5)
6 Ripping (7)
7 Egyptian goddess (4)
8 Attic room (6)
12 Smallest (5)
13 Flower section (5)
14 *Ancient fabulist (5)*
15 Takes the bait (5)
16 Towelling (5)
18 Bury (5)
19 Unfasten (7)
21 State of confidence (6)
22 Tans (6)
23 Worked for (6)
25 Hasten (5)
26 London district (4)
28 Main (3)

Yesterday's Cryptic Solution

ACROSS. — 3, Idles. 8, Debar. 10, Lag-O-s. 11, Gas. 12, Debu-t. 13, With-ers. 15, Dared. 18, Ire. 19, Senior. 21, R-oast-ed. 22, Odin. 23, Peel. 24, Heat-her. 26, OBE-Ron. 29, E-A-R. 31, SE-no-R. 32, Be-gg-ars. 34, BA-Les. 35, Ode. 36, Tun-ic. 37, Cloak.38,Neigh.

DOWN. 1,Regis.2,Fashion.4,Dyes.5,Elud-Ed.6,Satan.7,Rome-O.9,Bat.12,Dresden.14,E-RA.16,River.17,Drill.19,Set-tees.20,-Solos(rev).21,Riven.23,Pergola.24,Horace.25,Hag.27,Beg-un.28,Robia.30,Bread(fruit).32,Berg.33,A-do.

Yesterday's Easy Solution

ACROSS. — 3, Tract. 8, Barns. 10, Hills. 11, Sit. 12, Ensue. 13, Ospreys. 15, Train. 18, Ire. 19, Desire. 21, Feelers. 22, Reed. 23, Tend. 24, Assured. 26, Starch. 29, Gnu. 31, Pilot. 32, Chester. 34, Limit. 35, IRA. 36, Cello. 37, Clyde. 38, Sneer.

DOWN. — 1, Passe. 2, Untried. 4, Runs. 5, Chutes. 6, Tiers. 7, Flair. 9, Rip. 12, Eyelash. 14, Ere. 16, Aired. 17, Needy. 19, Drought. 20, Grasp. 21, Feral. 23, Tensile. 24, Action. 25, Rue. 27, Times. 28, Rolls. 30, Ready. 32, Cite. 33, Try.

Solutions to today's puzzle tomorrow

WHAT'S ON

Notices in this feature are charged at IS92.00 per line including VAT; insertion every day costs IS1,794.00 including VAT, per month. Copy accepted at offices of The Jerusalem Post and all recognized advertising agents.

Jerusalem

MUSEUMS

Israel Museum. Exhibitions: Permanent Collection of Judaica, Art and Archaeology; Art for Humour's Sake, humour in contemporary art (till 7.9); On the Surface, approaches to paint and canvas in art of our time (till 6.9); Patents, Israeli products; Toys and Games of the Ancient World (Rockefeller Museum). Colour (Paley Centre, next to Rockefeller); Touch, children's exhibition; Artists' Tribute to Bertha Urdang (till 7.9); Special Exhibit: Islamic Armour (Rockefeller Museum); Special Exhibit, Gifts to Eliahu Dobkin Pavilion for Ancient Glass; Special Exhibit: Throne Legs Cast in Bronze, from Samaria, 6th-4th cent. B.C.E.; Special Exhibit, Igael Tumarkin, Definition of an Olive Tree, environmental assemblage sculpture, Special Exhibit Torah Ark Curtain, Germany 1725 (from 14.9); Special Exhibit, New Shekel Coin and Ancient Jewish Prototype.
Visiting Hours: Main Museum 10-5. At 11: Guided tour in English. 3.30 Guided tour of Shrine of the Book (in English). 3.30 Film, "Peter Pan", Walt Disney classic.

CONDUCTED TOURS

HADASSAH — Guided tour of all installations * Hourly tours at Kiryat Hadassah and Hadassah Mt. Scopus. * Information, reservations: 02-416333, 02-426271.

Hebrew University:
1. Tours in English at 9 and 11 a.m. from Administration Building, Givat Ram Campus. Buses 9 and 28.
2. Mount Scopus tours 11 a.m. from the Bronfman Reception Centre, Sherman Building. Buses 9 and 28 to last stop. Further details, Tel. 02-882819.

Emunah — World Rel. Zionist Women, 26 Ben Maimon. Visit our projects. Call 02-662468, 6:30-8:20; 03-788942, 708440.

American Mizrachi Women. Free Morning tours — 8 Alkalai Street, Jerusalem. Tel. 69-9222.

Tel Aviv

MUSEUMS

Tel Aviv Museum. Exhibitions: Jubilee Exhibitions (1932-1982). The Twenties in Israeli Art; Masters of Modern Art; City and Art, the Berlin Secession at the Turn of the Century; Dizengoff House, the early years of Tel Aviv Museum.
Visiting Hours: Sat. 10-2, 7-10. Sun-Thur. 10-10. Fri. closed
Helena Rubinstein Pavilion: Sun.-Thur. 9-1; 5-8. Sat. 10-2. Fri. closed.

CONDUCTED TOURS

American Mizrachi Women. Free Morning Tours — Tel Aviv, Tel. 220187, 243106.
WIZO: To visit our projects call Tel Aviv, 232939; Jerusalem, 226060; Haifa, 89537.
PIONEER WOMEN — NA'AMAT. Morning tours. Call for reservations: Tel Aviv, 256096.

Haifa

What's On in Haifa, dial 04-640840.

Rehovot

The Weizmann Institute. Grounds open to public from 8.00 a.m. to 3.30 p.m. Visitors invited to see audio-visual programme on Institute's research activities, shown regularly at 11.00 a.m. and 3.15 p.m. Friday 11.00 a.m. only.
Tours of the Weizmann House every half hour from 10.00 to 3.30 p.m. Sunday to Thursday. *Nominal fee for admission to Weizmann House.*
No visits on Saturdays and holidays.

GENERAL ASSISTANCE

EMERGENCY PHARMACIES

Jerusalem: Armon Hanatsiv, Talpiot Industrial Centre, 710480. Balsam, Salah Eddin, 272315. Shu'afat, Shu'afat Road, 810108. Dar Eldawa, Herod's Gate, 282058.
Tel Aviv: Concept, 9 Gliksberg, 490020. Kupat Holim Clalit, 7 Amsterdam, 225142-3.
Netanya: Neot Shaked, Ezorim Industrial Centre, 52484.
Haifa: Yavne, 7 Ibn Sina, 666156.

DUTY HOSPITALS

Jerusalem: Bikur Holim (pediatrics), Hadassah E.K. (internal, surgery, orthopedics, E.N.T.), Shaare Zedek (ophthalmology), Misgav Ladach (obstetrics).
Tel Aviv: Rokah (pediatrics), Ichilov (internal, surgery).
Netanya: Laniado (obstetrics, internal, pediatrics, gynecology).
Misgav Ladach: Open line 4-6 p.m. every Monday answers to obstetrics, gynecological, *sterility, sexual functioning, and family planning* problems. Tel. 02-633356.

POLICE

Dial 100 in most parts of the country. In Tiberias dial 924444, Kiryat Shmona 40444.

FIRST AID

Magen David Adom first aid centres are open from 8 p.m. to 7 a.m. Emergency home calls *by doctors at fixed rates. Sick Fund members* should enquire about rebate.

Phone numbers: Jerusalem, Tel Aviv, Haifa, — 101. Dan Region (Ramat Gan, Bnei Brak, Givatayim) — 781111.

Ashdod 2222	Nazareth 54333
Ashkelon 23333	Netanya 23333
Bat Yam 585555/6	*Petah Tikva 912333*
Beersheba 78333	Rehovot 054-51333
Eilat 72333	Rishon LeZion 942333
Hadera 22333	Safed 30333
Holon 803133/4	Tiberias 20111
Nahariya 923333	

Rape Crisis Centre (24 hours), for help call 03-234819, Tel Aviv, 04-88791, Haifa, 02-810110, Jerusalem.

"Eran" — Mental Health First Aid, Tel.: Jerusalem 669911, Tel Aviv 253311, Haifa 538-888, Beersheba 32111, Netanya 35316.

FLIGHTS

24-HOUR FLIGHT INFORMATION SERVICE
Call 03-972484
(multi-line)
ARRIVALS ONLY
(TAPED MESSAGE)
03-295555 (20 lines)

KICK THE HABIT!
Make today your first of many smoke-free days

ENTERTAINMENT

TELEVISION

EDUCATIONAL:
8.15 English 6 8.50 Geography 7-9 9.20 English 5 10.05 Math 4 10.30 Rega and Dodi 11.15 Math/Geometry 6 11.30 Math/Geometry 5 11.45 English 7 12.05 English 8 12.30 Literature 9-12 13.05 High-School Science 16.00 Handicrafts 16.15 The Flaxton Boys 16.40 The World and I (part one) 17.00 A New Evening — live magazine
CHILDREN'S PROGRAMMES:
17.30 3, 4, 5½ — Catriel the Ball
18.00 Romeo and Juliet — part one of a new 8-part adaptation of Shakespeare's classic
18.20 Harold Lloyd — comic excerpts from Harold Lloyd's films
ARABIC-LANGUAGE programmes:
18.30 News roundup
19.00 Sports
19.27 Programme Trailer
19.30 News
HEBREW PROGRAMMES resume at 20.00 with a news roundup
20.03 Ladies Man. Comedy series about a man who works on the editorial staff of a women's journal. Starring Lawrence Pressman and Louise Sorel
20.30 That's Hollywood. Series about the movie industry. Part 5: Hollywood Goes Ape
20.55 Stop — weekly road safety corner
21.00 Mabat Newsreel
21.30 Second Look — news commentary and analysis
22.10 Fair Stood the Wind for France. Part two of a 4-part BBC dramatization of H.E. Bates' love story set in Occupied France. Starring David Beames and Cecile Paoli
23.05 This Is The Time — Ram Evron's interview and entertainment hour
23.55 News
JORDAN TV (unofficial).
17.50 Cartoons 18.00 French Hour 18.25 (JTV 3) Little House on the Prairie 19.00 News in French 19.30 News in Hebrew 20.00 News in Arabic 20.30 George and Mildred 21.05 To be announced 21.15 Play of the Week 22.00 News in English 22.15 Love Boat

ON THE AIR

First Programme

6.11 (stereo): Musical Clock
7.07 (stereo). Morning Melodies
8.05 (stereo): Haydn: Violin Concerto in C Major (English Chamber Orchestra); Bach-Rechtman: Prelude and Fugue in D Minor (Israel Wind Quintet); Kodaly, Hary Janos Suite (Jerusalem Symphony, Rodan)
9.05 (stereo). Beethoven: Trio op. 11 (Peter Serkin, Richard Stolzman, Fred Shary); Mozart: Symphony No. 40 in G Minor (Israel Philharmonic, Mehta)
10.05 (stereo): Dvorak: Bagatelles for String Trio and *Harmonium (Juilliard* Quartet, Firkusny); Gershwin: Porgy and Bess Excerpts (Houston Opera)
11.05 Sephardi songs
11.15 Elementary School Broadcasts
11.30 Education for All
12.00 (stereo): The York Wind Quintet, Canada — Mozart: Fantasy, K. 608; Liadov: 8 Russian Folksongs; Nielsen, Quintet op. 43
13.05 Bizet: Arlesienne Excerpts (Paris Orchestra, Barenboim); Eccles: Sonata in G Major (Simha Heled, cello); Schumann: Adagio and Allegro (Meir Rimon, horn; Bruno Canino, piano); Gilboa: Cedars (IPO, Mehta); Coates: From Meadow to Mayfair (Groves)
14.10 Children's programmes
15.30 World of Science
15.55 Notes on a New Book
16.05 (stereo): Classical Requests
17.35 Programmes for Ohm
20.05 Everyman's University
20.35 Israel Festival — The Vermeer Quartet performs works by Haydn, Bartok and Mendelssohn
22.30 Reflections on the Portion of the Week by Prof. Yeshayahu Leibowitz
23.35 (stereo): Delius: March Caprice (Boult); Chabrier: 2 Pieces: Pregl: Little Scherzo: Holst: Parade (New Philharmonia; Boult)
00.10 (stereo): Night Music

Second Programme

6.12 Gymnastics
6.22 Agricultural Broadcasts
6.35 Editorial Review
6.54 Green Light — drivers' corner
7.00 This Morning — news magazine
8.05 All Shades of the Network — morning magazine
12.05 A Hole in the Net
13.00 Midday — music, news commentary
14.10 In a Minor Tone — with Ehud Manor
16.10 From Here to There — immigration matters
17.10 Magazine
17.25 Of People and Places
18.05 Religion Magazine
18.47 Bible Reading — Psalms 97
19.00 Today — people and events in the news
20.10 Sabbath songs
22.05 Literary Magazine (repeat)
23.05 The Second Half — women's magazine

Army

6.06 *Morning Sounds*
6.30 University on the Air — Prof. Perry Kreitzer lectures on Endocrinology
7.07 "707" — Alex Ansky reviews the morning papers
8.05 IDF Morning Newsreel
9.05 Right Now
11.05 Musical Requests — with Shira Geva
12.05 Israeli Summer — with Eli Yisraeli
14.05 Two Hours — music, theatre, art and *cinema reviews, interviews and anecdotes*
16.05 Four in the Afternoon
17.05 IDF Evening Newsreel
18.05 Army and Defence Magazine
19.05 Music Magazine
20.05 Israeli Rock
21.00 Mabat Newsreel
21.35 University on the Air (repeat)
22.05 Popular songs
23.05 Classical Favourite
00.05 Midnight Newsreel
00.15 Night Birds — songs, chat with Yael Dan

CINEMAS

JERUSALEM 4,7,9
Eden: Undertone **Edison:** Papa Leon **Kfar:** Rocky III 4, 6.45, 9; Mitchell: Four Friends **Orgil:** What a Party! **Orion:** Death Wish II, adults only **Oren:** Happening in the Market **Ron:** Sharkey's Machine **Seimdar:** Wooden Shoes 8.15 **Binyenei Ha'uma:** Chariots of Fire 6.45, 9 Israel Museum: Peter Pan 3.30 **Cinema One:** Harold and Maude 7,9.

TEL AVIV 4.30, 7.15, 9.30
Allenby: Papa Leon **Ben-Yehuda:** On Golden Pond **Chen 1:** Jungle Book 2, 4.30, 6.30; Reds 8.30; **Chen 2:** Jungle Book 8.30, 10.20; Reds 4.10; **Chen 3:** First Monday in October 4.40, 7.25, 9.40; **Chen 4:** Straw Dogs 10.30, 1.30, 4.25, 7.05, 9.35; **Chen 5:** Atlantic City U.S.A. 4.25, 7, 9.25; 8am 10.30 a.m., 1.30 p.m. **Cinema One:** The Californian **Cinema Two:** Lady from Moscow **Dekel:** I Ought to be in Pictures 7.15, 9.30; **Drive-In:** "10" at 9.00; Condor Man 7.15; sex film, midnight **Esther:** Sharkey's Machine **Gat:** Shoot the Moon **Gordon:** Four Friends 5, 7.15, 9.30 **Hod:** Body and Soul **Lev 1:** La Boum 1.30, 4.30, 7.15, 9.30 **Lev II:** Lola 1.30, 4.30, 7.15, 9.30 **Limor:** Blazing Saddles **Maxim:** Fantomas 4.15, 7.15, 9.30 **Megrabi:** Rocky III **Orly:** Undertone **Paris Mony Python** 10, 12, 2, 4, 7.15, 9.30 **Peer:** Evil under the Sun **Shahaf:** Prince of the City 5.45, 9.15. *Studio:* The Canterbury Tales **Tchelet:** Raggedy Man **Tel Aviv:** Pour la Peau d'un Flic **Tel Aviv Museum:** From Mao to Mozart **Zafon:** Tales of Ordinary Madness **Tamuz:** Padre Padrone 9.30; Raiders of the Lost Ark 7.15

HAIFA 4,6.45, 9
Amami: Evil under the Sun 6.45, 9 (Sun. 6.45 only); **Amphitheatre:** Guns of Navarone 6, 9 **Armon:** Sharkey's Machine **Atzmon:** Death Wish **Chen:** Papa Leon **Galor:** Outland 10, 2, 6; Silver Streak 12, 4, 8 **Keren Or:** Endless Love **Moriah:** Cannonball Run 6.45, 9 **Orah:** Torn between Two Lovers **Orion:** Bella 10, 2, 4, 9, adults only **Orly:** Some Like it Hot 6.45, 9 **Peer:** Rocky II **Ron:** Undertone **Shavit:** Padre Padrone 6.45, 9; **Ta Boum 5. Cinemathe-que:** Sweet Movie 7; Frenzy 9.30.

RAMAT GAN
Armon: Shoot the Moon 7, 9.30; Jungle Book 4 **Klar Hamaccabi:** Days of Heaven 9; **Lby:** On Golden Pond 7.15, 9.30 **Oasis:** Papa Leon 7.15,9.30 **Ordan:** Undertone 7.15, 9.30; **Ramat Gan:** Modern Problems 7.15, 9.30

HERZLIYA
Tiferet: Undertone 7.15, 9.30

PETAH TIKVA
Shalom: Noe at Seventeen 7, 9.15

NETANYA
Esther: Undertone 7, 9.15

HOLON
Migdal: Papa Leon 4.30, 7.15, 9.30 **Savoy:** Pour la Peau d'un Flic 4, 7, 9.30

RAMAT HASHARON
Star: Escape to Victory 7.15, Whose Life is it Anyway? 9.30

هكذا من الأصل

صكذا من الأصل

Public goes right on spending despite Lebanon war burden

By AVI TEMKIN
Post Economic Reporter

The public's level of spending, importing and dealing in the stock market is apparently not affected by the economic measures the government took to finance the war in Lebanon.

Figures released yesterday by the State Revenue Administration show that during August it collected IS2.5 billion in import duties, compared with IS689 million during August 1981. This is an increase of 128 per cent after adjusting for inflation.

During the first five months of the current fiscal year, the administration collected IS10.2b. in import duties, compared to IS3.8b. during the first five months of fiscal 1981, a 39 per cent increase in real terms.

The revenue from purchase taxes increased to IS6.4b. last month, compared to IS2.4b. during August 1981, a 32 per cent real increase. For the first five months of the year the increase registered was 40 per cent in real terms, from IS2b. for the April-August 1981 period, to IS5.4b. for the same period in 1982.

Revenue from the 2 per cent levy on stock sales has increased sharply, from IS98m. in June, to IS398m. in July and IS550m. in August.

The rise in tax collection is explained by the higher level of tax rates which resulted from the imposition of new levies by the government last June and by the continuation of the high level of spending on the part of the public. Depite the increase in collections from purchase taxes and import duties, total tax revenue increased by only 3.7 per cent in real terms during August, from IS8b. in August 1981, to IS19.3b. this year.

The modest increase in tax collection is explained by the drop in real terms in the collection of income tax. The revenue from income tax was IS10.5b. during August compared to IS4.8b. during August 1981, a 15 per cent real decrease.

According to the Treasury the decrease in income tax collection was due to the delay in the deadline for filing tax returns, which was decided on to permit companies and businessmen to adapt themselves to the new tax legislation.

U.S. JOBLESS. — The unemployment rate in the U.S. held steady at 9.8 per cent in August, matching the highest rate of the last four decades, the government reported Friday. On the eve of the Labour Day holiday, some 10.8 million Americans are out of work.

ACCIDENT. — The cable railway linking the Nesher cement factory in Haifa with its Mount Carmel quarry collapsed yesterday, sending several small containers crashing to earth. No one was hurt.

Seesaw market moves lower

Tel Aviv Stock Exchange

By JOSEPH MORGENSTERN

TEL AVIV. — The share market turned in a highly volatile performance yesterday, with a seesaw type of action apparent in the various sectors. At the close losers held the upper hand, as 65 issues fell by 5% or more. However, it was not all bad news, as 44 securities moved up by similar amounts. Trading was active, but remained under the 680m. mark.

Menora debuted and in the recent tradition was marked "buyers only."

The 1.0 shares were marked up by 20% while the 5.0 shares were established 40% higher.

Today Taya is coming to the market for its second public financing. The issue is priced at 4,400 and since the shares closed yesterday at 509, this offers subscribers a handsome premium. Spectronix is also coming to the market in a first-time issue, with subscription rolls closing today.

Danot 5.0, with an 8% drop, was the only major mover among commercial bank issues.

In the insurance group Hassneh was "sellers only" while Securitas and Zion 5.0 were both 9% lower.

Consortium and Rapac were both "sellers only."

Land development and real estate issues were mixed. Solel Boneh came through with a "buyers only" situation for the second consecutive session.

Isralom edged 19 points lower, as profit-taking was visible.

Industrials were highly volatile. Elco 0.25 was down 15%, Zikit 1.0 was 9% higher, but the Pollak option fell by 10.6%. Tempo Beer 1.0 was 10% to the good, while Lodzia 0.1 was chopped down by a similar margin. Nechushtan 0.1 was felled for a 12.6% loss. Taya was up by 8.3%, to 509.

	Closing price	Change	% change	Volumes IS1,000
Commercial Banks & Bankholding				
IDB prf	34000	n.c.	—	1.1
IDB r	2896	+7	+.2	281.9
IDB B r	2896	+7	+.2	1.1
IDB prf A	8700	n.c.	—	2.0
IDB op 7	7380	+30	+.4	6.9
IDB op 9	—	—	—	—
IDB op 10	4390	+20	+.5	6.0
Union r	1895	+10	+.5	146.9
Union op 4 r	3420	+20	+.6	4.8
Union op 7	2830	n.c.	—	9.8
Discount r	3502	+15	+.4	21.9
Discount A r	3502	+15	+.4	37.1
Discount op 1	4800	+40	+.8	29.6
Discount B	207	+4	+2.0	566.2
Mizrahi r	1263	+7	+.6	2245.5
Mizrahi b	1263	+7	+.6	20.6
Mizrahi op 3	8500	n.c.	—	1.8
Mizrahi op 10	2125	+15	+.7	39.5
Mizrahi sc 6 r	4035	n.c.	—	2.4
Mizrahi sc 7 r	3450	n.c.	—	7.9
Mizrahi sc 9	219	—2	—.9	222.9
Maritime 0.1 r	2940	+25	+.9	140.2
Maritime 0.5 r	1680	—10	—.6	689.2
Maritime op 1	1978	n.c.	—	230.3
Hapoalim prf b	3150	—350	—10.0	4.9
Hapoalim r	2418	+8	+.3	785.7
Hapoalim b	2418	+8	+.3	49.1
Hapoalim op 4 r	16600	+10	+.1	18.3
Hapoalim op 5 r	14243	n.c.	—	2.2
Hapoalim op 7 r	8130	n.c.	—	3.6
Hapoalim op 12	3541	+41	+1.2	6.1
Hapoalim sc 6 r	5206	+16	+.3	6.9
Hapoalim sc 8 r	3585	+15	+.4	40.5
General A	4020	+25	+.6	321.0
General op 6	7670	n.c.	—	2.4
General sc 4 r	4965	—5	—.1	1.2
General sc 5 r	1134	n.c.	—	23.7
Leumi	1797	+5	+.3	511.4
Leumi op 4 r	6825	+25	+.4	2.3
Leumi op 12	2570	+10	+.4	25.8
Leumi sc 9 r	873	+4	+.5	98.3
Leumi sc 11	237	n.c.	—	214.5
OHH r	2040	—20	—1.0	25.6
OHH b	—	—	—	—
Danot 1.0	1195	—10	—.8	72.3
Danot 5.0	—	—	—	—
Danot op 1	—	—	—	—
Danot op 2	240	n.c.	—	266.3
FIBI sc 1 r	—	—	—	—
FBI r	—	—	—	—
Mortgage Banks				
Adanim 0.1	1497	+100	+7.2	244.6
Gen Mtge r	1165	—20	—1.7	207.9
Gen Mtge b	1165	—20	—1.7	2.4
Gen Mtge op 117	2450	—56	—2.2	5.0
Carmel r	1098	—100	—8.3	151.7
Carmel b	—	—	—	—
Carmel op A	1646	+154	+10.3	2.0
Binyan r	762	—40	—5.0	94.0
Dev & Mtge r	705	—35	—4.7	198.0
Dev & Mtge b	710	—70	—9.0	33.1
Dev & Mtge op 95	1530	n.c.	—	2.6
Mishkan r	1900	—110	—5.5	290.1
Mishkan b	2010	n.c.	—	2.1
Independence	2350	+139	+8.7	2.9
Tefahot prf r	4600	+84	+1.9	10.1
Tefahot prf b	—	—	—	—
Tefahot r	4520	+350	+8.4	96.5
Tefahot b	4500	+150	+3.4	3.0
Tefahot op A	3715	n.c.	—	51.4
Tefahot deb 1	308	+12	+4.1	1,008.7
Merav r	770	+22	+2.9	899.0
Meray op	7000	n.c.	—	3.4
Financing Institutions				
Shilon r	330	—7	—2.1	220.0
Shilton b	—	—	—	—
Shilton op B	1156	—65	s.o.1	—
Shilton op 6	245	—15	—5.8	30.1
Shilton sc 1	408	—22	s.o.1	—
Shilton sc 2	453	—36	—7.4	2.0
Otz. Lataasiya r	620	—65	—9.5	200.1
Otz. Lataasiya b	635	—70	—9.9	11.1
Agriculture prf A	6900	+225	+3.4	27.8
Ind Dev prf r	7600	-406	-5.1	2.8
Clal lease 0.1 r	690	+30	+4.5	62.0
Clal Lease 0.5 r	461	-12	-2.5	50.7
Clal Lease op A	817	+95	+13.2	45.6
Clal Lease op B	345	n.c.	—	174.6
Clal Lease sc 1	192.0	+2.0	+1.1	138.4
Insurance				
Aryeh r	702	+22	+3.2	487.6
Aryeh op r	30300	+2700	+9.8	1.7
Aryeh sc 1	1030	+30	+3.0	3.5
Ararat 0.1 r	2799	n.c.	—	111.3
Ararat 0.5 r	980	+20	+2.1	475.0
Reinsurance 0.1 r	1180	n.c.	—	19.3
Reinsurance 0.5 r	530	+28	+5.6	436.0
Reinsurance 1	354	—2	—.6	96.8
Hadar 1.0	975	n.c.	—	116.4
Hadar 5.0	366	+17	+4.9	387.4
Hassneh r	1162	—61	s.o.1	—
Hassneh b	1233	—65	s.o.1	—
Hassneh op	3819	—495	—11.5	.4
Phoenix 0.1 r	1905	+115	+6.4	88.8
Phoenix 0.5 r	1100	—35	—3.1	56.5
Yardenia 0.1 r	2190	n.c.	—	14.2
Yardenia 0.5 r	1000	n.c.	—	106.5
Yardenia op 1	750	—25	—3.2	9.4
Sahar r	4490	—138	—3.0	27.1
Sahar b	—	—	—	—
Securitas r	2000	—200	—9.1	174.9
Zur r	728	—70	—8.8	81.8
Zur b	—	—	—	—
Zur op 1	1250	—25	—2.0	26.7
Zion Hold. 1.0	880	n.c.	—	336.2
Zion Hold 5.0	304	—30	—9.0	267.1
Galei Zonar 1	398	+7	+1.8	66.4
Galei Zohar 5	275	+25	+10.0	170.5
Galei Zohar op 1	268	+25	+10.3	208.0
Commercial Services & Utilities				
Delek r	2300	—140	—5.7	94.8
Delek b	2540	n.c.	—	7.7
Delek db 2	—	—	—	—
Harel 1	391	—28	—6.7	255.0
Harel 5	270	n.c.	—	276.8
Harel op 1	667	—82	—10.9	76.4
Harel op 2	231	+13	b.o.1	—
Dan Hotels 1.0	526	—14	—2.6	235.3
Dan Hotels 5.0	480	—15	—3.0	195.9
Cold Store 0.1 r	34850	+1650	b.o.1	—
Cold Store 1.0 r	20500	+1700	+9.0	185.5
Isr Electric r	—	—	—	—
Lighterage 0.1	—	—	—	—
Lighterage 0.5 r	31300	600	+2.0	+29.8
Lighterage op	—	—	—	—
Magor	1312	—3	—.2	42.5
Magor 0.5	690	—43	—5.9	113.1
Magor op 1	1155	—60	—4.9	50.0
Nikuv 1.0	832	+40	b.o.1	—
Nikuv 5.0	536	+16	+3.1	224.7
Nikuv op 1	450	n.c.	—	129.2
Consort. Hold.	2135	—115	b.o.1	—
Consort op	2025	—115	b.o.1	—
Rapac 0.1 r	2989	—157	b.o.1	—
Rapac 0.5 r	950	—50	b.o.1	—
Rapac op 2	699	—50	b.o.1	—
Supersol A	1850	—20	—1.1	24.1
Supersol B	990	n.c.	—	610.5
Supersol op B	701	+6	+.9	22.8
Land Development Building, Citrus				
Oren 1	950	+50	+5.6	152.1
Oren op 1	850	n.c.	—	44.9
Azorim r	944	—25	—2.6	268.1
Azorim op C	1805	n.c.	—	39.2
Azorim op D	832	n.c.	—	51.0
Azorim Inv.	382	—27	—6.6	598.8
Africa Isr 0.1 r	8901	+300	+3.5	9.9
Africa Isr 1.0 r	7500	+400	+5.6	22.4
Africa op 2	7560	+220	+3.0	3.5
Ariedan 0.1	1875	+25	+1.4	164.0
Ariedan 0.5	1130	+16	+1.4	303.1
Ariedan op A	1557	+35	+2.3	64.8
Darad 1	551	—6	-1.1	180.0
Darad 5	303	n.c.	—	337.6
Darad op 1	2043	n.c.	—	10.1
ILDC r	2795	+15	+.5	66.2
ILDC b	2780	—	—	—
ILDC op A r	2770	—10	—.4	.6
ILDC op B r	9958	—406	s.o.1	—
ILDC op 6	2220	—30	—1.3	15.4
ILDC db 4 r	6963	n.c.	—	1.2
HLB Realty 0.1 r	950	—50	s.o.1	—
HLB Realty 0.5 r	452	—44	—8.9	1,091.3
Solel Boneh prf A	47077	+2242	s.o.2	—
Modul Beton	1540	—10	—.6	6.0
Prop & Bldg r	2965	—50	—1.7	160.9
Prop & Bldg C	4000	n.c.	—	2.8
Bayside 0.1 r	2350	—30	—1.3	38.4
Bayside 0.5 r	1400	—50	—3.4	37.9
Bayside op B	1085	n.c.	—	32.1
Ispro r	888	+50	+6.0	1,196.5
Ispro op 3	2675	+200	+8.1	34.5
Isras r	578	—2	—.3	722.6
Isras op 1	390	+11	+2.9	297.2
Cohen Dev.	612	+40	+7.0	774.5
Cohen Dev. op 1	462	+35	+8.2	455.1
M.T.M. 1	1230	+5	+.4	140.4
M.T.M. 5	755	—35	—4.4	172.9
M.T.M. op 1	630	—25	—3.8	61.6
Mehadrin r	6900	—100	—1.4	5.4
ICP r	4100	—175	—4.1	2.6
Neot Aviv	4820	+350	+7.8	23.3
Pri Or r	1800	+130	+7.8	85.9
Pri Or op	1318	n.c.	—	31.6
Caesarea 0.1	2015	—35	—1.7	24.7
Caesarea 0.5	830	—65	—7.3	159.5
Caesarea op 2	1508	—12	—.8	141.2
Caesarea op 3	586	—10	—1.7	77.4
Rassco prf r	39000	+1000	+2.6	7.3
Rassco r	39000	+1000	+2.6	4.1
Industrials				
Urdan 0.1 r	3087	+147	b.o.2	—
Urdan 0.5 r	2734	+5	+.2	72.2
Urdan op 2 r	3401	+61	+1.8	25.0
Elbit 3.0 r	7925	+50	+.6	63.2
Alliance	—	—	—	—
Alaska Sport 1.0	820	—24	—2.8	42.4
Alaska Sport 5.0	560	—25	—4.3	53.6
Alaska Sport op 1	600	—40	—6.3	54.6
Elco 0.1	3135	—165	s.o.1	—
Elco 0.25 r	1303	—70	—5.1	183.5
Elco 0.25 b	1314	—232	—15.0	50.4
Elco op B	1150	+42	+3.8	237.2
Elco db 1	2893	—152	s.o.1	—
Alkol	—	—	—	—
Alkol op 1	—	—	—	—
Electra 0.1 r	—	—	—	—
Electra 0.5 r	—	—	—	—
Electra op 3	—	—	—	—
Elron 3	12195	n.c.	—	20.1
Argaman prf r	2940	n.c.	—	28.8
Argaman prf b	—	—	—	—
Argaman r	2910	+30	+1.0	102.8
Argaman b	—	—	—	—
Ata B 1.0	610	+18	+3.0	391.0
Ata C 0.1	552	+13	+2.4	1975.1
Tadir Beton 1.0	1076	+98	+10.0	173.6
Tadir Beton 5.0	553	n.c.	—	90.0
Tadir Beton op 1	995	n.c.	—	78.0
Goldfrost 1.0	747	+2	+.3	503.3
Goldfrost 5	404	—21	s.o.1	—
Goldfrost op	323	—23	—6.6	382.2
Gal Ind 1	842	—18	—2.1	146.0
Gal Ind 5	464	—30	—6.1	281.3
Gal Ind op	354	—19	—5.1	145.4
Dubek prf r	1780	—5	—.3	42.1
Dubek prf b	1700	—75	—4.2	35.6
Fertilizers r 0.1	990	n.c.	—	23.7
Fertilizers 0.5	565	+20	+3.7	147.0
Cables r	1590	+110	+7.4	21.9
Cables b	1600	n.c.	—	9.6
Hatehof 1.0	770	n.c.	—	162.3
Hatehof 5.0	517	—58	—10.1	94.4
Hatehof op 2	850	—51	—5.7	31.5
Vitalgo 1	454	—20	—4.2	184.1
Vitalgo 5	306	—14	—4.4	283.8
Zikit 1.0	560	+46	+8.9	303.5
Zikit 5.0	355	+3	+.9	134.6
Zikit op A	317	+17	b.o.1	—
Haifa Chem R	1775	+10	+.6	58.5
Teva r	1742	—100	—5.4	149.8
Teva b	1730	—70	—3.9	2.7
Teva op	27431	—2400	—8.0	.8
Teva op 2	4100	n.c.	—	19.6
Teva db 3	414	n.c.	—	135.3
Tempo 1.0	684	+62	+10.0	448.9
Tempo 5.0	615	+29	b.o.1	—
Tempo op 1	535	+50	+10.3	231.5
Tempo op 2	508	+59	+13.1	313.0
Tromasbest 1.0	1560	+72	+4.8	151.2
Tromasbest 5.0	705	—50	—6.6	162.3
Tromasbest op 1	1061	+45	+4.4	80.1
Yomar 1.0	947	—35	—3.6	61.4
Yomar 5.0	755	—23	—3.0	17.1
Zion Cables 1.0	3002	n.c.	—	11.4
Zion Cables 5.0	1390	—105	—7.0	360.4
Zion Cables op 1	2675	—150	—5.3	33.3
Clal Ind. Electr.	1905	n.c.	—	228.8
Lodzia 0.1 r	2511	—279	—10.0	14.6
Lodzia 0.4 r	900	n.c.	—	176.2
Modul Ind	404	+5	+1.3	649.5
Wolfman 1.0	834	n.c.	—	102.7
Wolfman 5.0	570	—10	—1.7	78.8
Molett B r	8617	+300	+3.6	8.6
Galil Ind 1.0	1563	—174	—10.0	212.2
Galil Ind 3.0	1381	—120	—8.0	274.8
Man 1.0	900	n.c.	—	199.7
Man 5.0	456	—50	—9.9	177.0
Zika 1	763	—85	—10.0	19.3
Zika 5	487	—24	—4.7	54.9
Zika op 1	452	+25	+5.9	82.8
Dead Sea r	2300	+67	—3.0	37.9
AIPM r	2350	—62	—2.6	53.1
Maquette 0.1	1479	—100	—6.3	58.1
Maquette 0.5	1011	n.c.	—	36.8
Maquette op A	514	—10	—1.2	68.2
Assis	2683	—300	—10.1	156.5
Assis db 1	10059	+700	+7.5	.3
Petrochem r	254	+7	+2.8	1000.1
Nechushtan 0.1	800	—115	—12.6	81.5
Nechushtan 0.5	451	—24	s.o.1	—
Nechushtan op 1	330	+20	+6.5	912.7
Sano 1	902	—49	—5.2	128.3
Sano 5	670	—19	—2.8	79.9
Elite r	2970	—100	—3.3	38.0
Arad r	360	—10	—2.7	356.7
Arap op 1	274	n.c.	—	38.8
Polgat 0.1 r	6880	+370	+5.7	4.1
Polgat 0.4 r	2900	n.c.	—	8.0
Polygon r	1580	+40	+2.6	50.6
Pecker Steel	885	—60	—6.3	183.0
Pecker Steel op A	1010	—50	—4.7	17.1
Cyclone 1	710	—37	s.o.1	—
Cyclone 5	431	—30	—6.5	108.6
Cyclone op	320	n.c.	—	143.0
King 1	556	—38	—6.4	349.8
King 5	326	—13	—3.8	352.2
King op 1	291	—1	—.3	99.2
Kill 1.0	806	—39	—4.6	8.6
Kill 5.0	580	n.c.	—	19.1
Rim 0.1 r	635	—14	—2.2	160.3
Rim 0.4 r	439	n.c.	—	172.0
Schoellerina	2700	n.c.	—	63.4
Schoellerina op A	3250	n.c.	—	6.2
Shemen prf r	3676	—194	—5.0	4.5
T.A.T. 1.0	1186	—28	—2.3	78.2
T.A.T. 5.0	571	—28	—4.7	123.5
T.A.T. op 1	479	—19	—3.8	104.3
Taya	509	+39	+8.3	517.5
Taya op 1	1050	+50	+5.0	11.9
Taal B r	3000	—249	—7.7	110.8
Taal B b	—	—	—	—
Frutarom R	702	n.c.	—	91.0
Lachish 1	841	—94	—10.1	153.9
Lachish 5	583	—64	—9.9	154.6
Lachish op	462	—25	—5.1	62.6
Taro Pharm.	700	n.c.	—	93.7
Investment & Holding Companies				
Unico r	1950	+120	+6.6	59.0
Unico b	1899	+139	+7.9	14.2
IDB devel. r	2234	+14	+.6	80.5
IDB devel. op 1	2060	—10	—.5	19.4
Incoba	3351	+290	+9.5	351.5
Elgar r	2990	+199	+7.1	2.7
Elgar b	2800	—150	—5.1	5.5
Ellern r	1645	—35	—2.1	44.3
Ellern b	1590	n.c.	—	28.7
Amissar pref	4240	+120	+2.9	38.3
Amissar no div	—	—	—	—
Amissar opt	6699	—101	—1.5	170.0
Afik 1.0	1120	—115	—9.3	40.0
Afik 5.0	920	—50	—5.2	19.0
Central Trade	3640	+60	+1.7	32.6
Inv Paz r	4350	+110	+2.6	114.0
Inv Paz b	4370	n.c.	—	8.4
Wolfson 0.1	—	—	—	—
Wolfson 1.0 r	—	—	—	—
Wolfson 1.0 b	—	—	—	—
Ampa r	2381	+40	+1.7	65.1
Disc Inv r	2025	—15	—.7	146.0
Disc Inv b	2040	n.c.	—	12.0
Disc Inv opt C	—	—	—	—
Disc Inv opt D	3170	+40	+1.3	2.3
Discount op. E	1460	n.c.	—	9.1
Disc Inv deb 135	2450	n.c.	—	.2
Hapoalim Inv r	2680	+196	+7.9	121.4
Hapoalim Inv b	2629	n.c.	—	20.0
Leumi Inv	1235	—10	—.8	306.0
Jordan Explo A r	1550	—45	—2.8	85.3
Jordan Explo opt	62500	n.c.	—	.2
Jordan Explo opt 2	29100	—100	—.3	1.0
Mizrahi Inv r	6110	+60	+1.0	2.8
Mizrahi Inv b	6110	+60	+1.0	.3
Mizrahi Inv deb 122	178.0	+11.0	+6.6	78.3
Mizrahi deb 124	200	n.c.	—	30.5
Clal Trade	820	+10	+1.2	319.9
Clal Trade op B	2165	+30	+1.4	32.1
Clal Trade op C	590	n.c.	—	102.4
Export Inv r	10600	+600	+6.0	6.2
Export Inv b	11200	+200	+1.8	8.1
Koor prf	81000	+3000	+3.8	1.9
Clal Re r	339	—8	—2.3	383.4
Clal Re opt C	880	—20	—2.2	43.0
Clal op D	274	n.c.	—	385.9
Clal rights	—	—	—	—
Clal Israel	1924	—214	—10.0	248.9
Clal Inds	1623	—120	—6.9	932.7
Clal Inds opt B	2938	n.c.	—	16.3
Landeco 0.1	885	—15	—1.7	281.1
Landeco 0.5	553	—3	—.5	548.7
Sahar Hold 1.0	1010	+10	+1.0	84.9
Sahar Hold 5.0	720	—7	—1.0	78.3
Sahar Hold opt 1	518	—1	—.2	113.8
Oz Inv B 0.1	3030	n.c.	—	95.0
Oz Inv B 0.5	991	+47	b.o.1	—
Oz Inv op 1	2850	n.c.	—	30.7
Oz Inv op 2	903	+43	+5.0	187.8
Pama	1273	+52	+4.3	210.0
Pama 0.5	1092	+52	b.o.1	—
Piryon	835	—40	—4.6	1,114.8
Fuel & Exploration				
Oil Explo Paz	1413	+86	+6.6	592.0
Oil Explo op. 2	1283	+133	+11.6	345.8
Fedoil r	3094	+80	+2.7	35.8
N. American Oil 1	390	—9	—2.3	172.3
N. American Oil 5	277	—1	—.4	282.9
N. Amer. Oil op	270	+15	+5.9	176.2
Naphta r	19399	n.c.	—	2.2
New Listings				
Teta 1	502	—	—	444.7
Teta 5	349	+5	+1.5	377.2
Teta op	301	—	—	444.3
Teta rights	289	—9	—3.0	1,573.6
Pollak 5	587	n.c.	—	320.3
Pollak 1	907	+15	+1.7	307.7
Pollak op	437	—52	—10.6	210.2
Isralom	563	—19	—3.3	644.7
Delek Explo 1	360	—30	—7.7	1,021.0
Delek Explo 5	265	—15	—5.4	3,305.5
Menora 1	780	+130	b.o.1	—
Menora 5	910	+260	+40.0	261.2
Zur op 2	550	—4	—.7	66.0

Most active stocks

FIBI	1570	4271.1	n.c.
Mizrahi r	1263	2245.5	+7
Ata C	552	1975.1	+13

Shares traded IS667.3
Convertibles IS10.5

By courtesy of בנק הפועלה בע"מ
דיווחות עדכן מהשוקות בחו"ל
The Clal Bldg 347.
Jaffa Road, Jerusalem Tel: 246881

Tel Aviv selected bond prices

100% Linked	Price	Change
3602	481.4	+4.9
3604	410.6	+4.3
3606	354.1	+3.8
4% Gov't develop.		
Group 1. Yield:	—0.10	
3001	8663.0	—1.0
3007	7938.0	n.c.
Group 7. Yield:	+0.20	
3020	6007.0	n.c.
3025	5844.0	n.c.
Defence loan 69.		
210 (Reish Yod)	—	—
4% Gov't (90% C-o-L)		
Group 22. Yield:	+1.22	
3101	4532.0	+1.0
3106	3929.0	+1.0
Group 24. Yield:	+1.38	
3110	3668.0	n.c.
3115	3551.0	+1.0
4% Gov't (80% C-o-L)		
Group 42. Yield:	+1.33	
3210	2946.0	+27.0
3206	2789.0	+28.0
6% Gov't (80% C-o-L)		
Group 52. Yield:	+1.31	
3501	2555.0	+27.0
3504	2237.0	+24.0

7% Gov't (80% C-o-L)	Price	Change
Group 62. Yield:	+0.08	
3522	2270.0	n.c.
3526	2112.0	n.c.
Group 66. Yield:	+0.34	
3534	1787.0	n.c.
3541	1686.0	n.c.
Group 68. Yield:	+0.60	
3546	1544.0	n.c.
3551	1461.0	n.c.
Group 70. Yield:	+0.76	
3554	1331.0	n.c.
3557	1270.0	n.c.
Gov't dble-optn linked		
2001	2060.0	n.c.
2015	1760.0	n.c.
2033	1289.0	n.c.
Dollar denom bonds		
Hollis 15	98.5	—
Hollis 20	91.0	—1.0
Bonds 10% linked to foreign currency		
5.5% Gov't 6026	—	—
6% Isr. Electric Corp.	—	—
Bonds 7% linked to foreign currency		
6003	1529.0	+25.0

New York Stock Exchange

NEW YORK. — Stocks finished broadly higher here on Friday, although off from their best levels. Institutional buying and pressure on short sellers kept volume heavy and prices strong, although some profit-taking appeared early in the afternoon.

The Dow Jones Industrial Average was up more than 15 points, to close at the 925 level. That was the highest since the August 20, 1981 close of 928.37. At its best shortly after midday the index was up nearly 21 points.

Commentary courtesy Wise Friedman Inc.
Members New York Stock Exchange
Stock & Commodity Portfolio Management
100 Wall St., NY, NY Tel. 001-212-425-6735

D.J. Avg.	925.12	+15.73
Transport	369.67	+3.97
Utilities	117.29	+2.13
Volume	130,910,000	

D.J. LIST		
Alcoa	29	—⅝
Allied Chem.	34½	+¼
Amer Brand	44¼	+¼
Amer Can	31⅝	—
Amer Exp	56½	+1
Amer T & T	—	—
Beth Steel	18⅜	—⅜
Chrysler	8¾	—⅛
Du Pont	36	+⅜
East Kodak	85¼	—⅛
Esmark	47	+⅛
Exxon	28⅝	+¾
Gen Elect.	78½	+2
Gen Food	39⅜	+⅜
Gen Motors	49⅛	+⅝
Goodyear	26⅝	—⅛
Intl Bus	72⅛	+¾
Intl Harv.	4⅛	—¼
Intl Paper	44	+1⅞
Intl Nickel	10⅝	+⅛
Owens	25⅜	—⅜
Procter Gam.	97⅜	+2¼
Sears	23	+¼
Std Oil Ca.	30½	+1⅛
Texaco	29¾	+1⅛
Union Carb.	50½	+1⅜
United Tech.	50⅛	+1¾
US Steel	19¼	—
Westinghouse	33⅞	+⅜
Woolworth	19½	+⅜
Gold Fix	455	+45.25
Asa Ltd.	44⅝	+2⅜
Homestake M.	36⅞	+2
ISRAEL SHARES IN NY		
Amer Is Paper	7⅝	—⅛
Alliance	7¾	—
Interpharm	3¼	3⅜
Etz Lavud	13	+⅛

Ari Rath
Editor and
Managing Director

THE JERUSALEM POST

Erwin Frenkel
Editor

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Elul 18, 5742 • Zil-Ki'adah 18, 1402

A wrong fight

THE CABINET'S review of the war in Lebanon, which started yesterday, was apparently conceived as an occasion to celebrate a great Israeli victory. The PLO's mini-state in the north had been smashed. Lebanon itself had been freed from the terrorist incubus, and now it was time to look forward to translating these striking gains into the consolidation of Israel's hold on Judea, Samaria and Gaza.

After the launching of President Reagan's initiative, however, the review of past achievements was bound to shape up rather as a curtain-raiser to the coming diplomatic battle with the U.S. over the future of the territories.

To make sure that Israel's troops, both at home and abroad, rally to the flag in this showdown, Premier Begin chose to characterize the newly-defined American policy as a bleak expression of unfaithfulness towards Israel. Mr. Reagan's proposals in his letter to the premier were spurned as unworthy of serving as the basis of any negotiations; they constituted a departure from the Camp David agreement and "could create a serious danger to Israel, its security and its future."

In Mr. Begin's view, the only solution that would not pose a serious danger to Israel is one that would assure permanent Israeli control of the territories. The original autonomy plan, submitted by the premier to President Carter in December 1977, embodied that concept, but it was decisively abandoned at Camp David less than a year later.

Since then, however, Mr. Begin has in effect reverted to his old idea. The calculated ambiguity of the language of Camp David, which prompted Secretary of State Shultz to find in it a lot of room for different interpretations, has served Mr. Begin as proof that his own understanding is the only correct one. Thus the fact that the autonomy is specifically granted to the *inhabitants* of Judea, Samaria and Gaza has been made to mean that Israel must retain the exclusive right to designate land there as belonging to the state, that is the State of Israel, and that such state land must be made freely available to Israeli settlers.

There has never been, in fact, any chance that the U.S. would endorse this Israeli design for the absorption of the territories, and the only question was how soon the U.S. would make its stand clear. The ending of the Lebanese war and the exodus of the PLO from West Beirut provided that opportunity.

Needless to say, Mr. Reagan's proposals — which do not, as has been widely noted, amount to a plan — are not binding on Israel. But, contrary to Mr. Begin's claim, they do not add up to a recipe for a Palestinian state. Such a state is plainly ruled out. Nor do the proposals constitute a revival of the Rogers Plan, let alone of something worse than that 12-year-old contrivance. Mr. Reagan is not calling for a return to the 1967 frontiers; in his television address last week the president acknowledged Israel's "right to exist in peace behind secure and defensible borders."

What his proposals spell, then, is some negotiated scheme of what the Alignment has termed territorial compromise with Jordan. This is easily derived from Resolution 242, to which the present Israeli government remains committed.

A territorial compromise in Judea, Samaria and Gaza will not satisfy Mr. Begin, who deems it treasonable to even contemplate the transfer of any part of the national patrimony to "alien hands." But a majority of the people of this country, according to the most recent finding of the Modi'in Ezrachi pollsters, now support it. In the U.S. public opinion — and the Congress — may be expected to back Mr. Reagan overwhelmingly.

The American Jewish community, too, would probably tag along, even if less enthusiastically. It is surely significant, if not ominous, that the Presidents Conference, which is almost invariably to be found in Israel's corner, has declined to follow Mr. Begin's example of damning Mr. Reagan wholesale. There are, Chairman Julius Berman has observed, virtues in some of the president's proposals.

At the Arab summit in Fez this week Mr. Reagan's initiative will come up for discussion and it may be given, however indirectly, a nod of approval, which Jordan for one is now anxiously awaiting. If this happens, and Israel sticks to total rejection, it will, as a result, only be completely isolated. Before the cabinet gears for the battle royal with Washington, it might usefully take another look at the blind alley into which it is leading the country.

Our unsafe roads

THE APPALLING deaths in road accidents in the last few days will inevitably prompt a widespread demand that something should be done about this form of mass slaughter. Many people will point out that accidents are killing more Israelis than war.

Clearly Israel cannot afford the present bloodshed on the roads. The time has come to analyse the epidemic systematically and to produce basic solutions. There will be a widespread demand for a curb on speeding, as if all that was needed was a bevy of traffic police distributing tickets for exceeding the official limits.

It would be a great relief if indeed the enforcement of speed limits was all that was required. Unfortunately, there is ample evidence that this is far from being an adequate solution.

The truth is that the old infrastructure of motoring is not developed sufficiently for the vast number of cars now travelling Israeli roads. Road surfaces, road widths, road signs, traffic lights — the development for traffic is lagging hopelessly behind the car population. Just as an excessive population in a poor country pressing on insufficient resources must result in a catastrophe, so a sort of Malthusian situation is developing with regard to automobiles.

Somebody has got to take imaginative action to transform the entire traffic and road systems.

POSTSCRIPTS

P.S. KIBBUTZ Neot Mordechai recently held its annual summer-camp week for 20 youngsters from Jerusalem's Alyn Children's Orthopedic Hospital. With a structured programme of work and play, the youngsters learned about kibbutz life, formed new friendships and renewed old ones, and had themselves a ball.

They worked for an hour each morning in the shoe factory, the carpentry shop, the kitchen, dining room, laundry or sewing room. Kibbutz members who had worked with Alyn kids in previous years were no longer surprised at how well they functioned although handicapped and confined to wheelchairs.

Accompanied by Alyn counsellors and by kibbutz members assigned to help them, they swam, toured the kibbutz fields and factories, and rode on tractors through the orchards to observe fruit-picking. One day was spent at the Kinneret, swimming and picnicking.

Following kibbutz tradition, they spent the afternoons with their "adopted families," and had supper with them in the communal dining room. One Orthodox boy was adopted for the fourth consecutive year by the kibbutz's only observant family.

The project was started 10 years ago by Neot Mordechai's Amos Schleider and Alyn's Mario Schneider, after a handicapped kibbutz child had long-term treatment in Alyn. *R.E.*

P.S. A COLLEAGUE reports the following helpfulness and efficiency at Achziv in Western Galilee. Intending to spend a day at the Achziv beach, he inadvertently paid for entry to the national park, an area of pleasant lawns and shady spaces for day camping, with access to a closed-in bay, but no sand or waves.

Discovering his mistake, he spoke to the woman who had taken his money at the gate. She explained courteously that she could not cancel his ticket, but would endorse it for the beach. She not only did this, but apparently phoned ahead to inform attendants at the beach, where the friendly attendent told him that "he knew all about it," and admitted him without charge.

It only remains to add that Achziv beach was beautifully maintained, with showers, toilets, reasonable snackbar and perfectly clean sands. The life-guards were responsible without being intrusive or officious. *Kol Hakavod.* Achziv. *D.G.*

BETWEEN BEGIN AND SHARON

By ALLAN E. SHAPIRO

IT IS no secret that Sharon was not Menachem Begin's first choice for defence minister. There is every reason to believe that he would prefer that the Ministry of Defence were not in the hands of a professional soldier, a position that he publicly advocated before the Sharon appointment became unavoidable. And this on broad constitutional grounds, not necessarily related to the personal attributes of Arik Sharon.

While Begin's knee remains unbent, as he never tires of reminding Diaspora audiences, he is still as strait-laced as ever on political questions he regards as matters of principle.

For it is in the conceptual realm of the law, rather than in the substantive spheres of policy, that Begin is often at his most inflexible. He is more than at home in matters of constitutional niceties. Sometimes it would appear that this is where he really lives.

It may be erroneous, therefore, to interpret the Begin-Sharon discord over the August 12 bombing of Beirut and the mobilization of an additional paratroop brigade as simply a policy dispute, with a moderate Begin acting to restrain a gung-ho minister. There is some reason to suspect that, at certain stages of the conflict, it was the prime minister who pressed for drastic action, while Arik Sharon held back. It was Sharon, after all, who sponsored Yitzhak Rabin's on-the-scene survey, knowing that Rabin's proposals would provide pressure on Begin in the direction of moderation, with regard to Israel's political objectives.

Certainly Begin was a full partner with Sharon in the war's most decisive — and most disastrous — decision (other than the decision to start it in the first place). That was the decision to link up with the Christian Phalangists, which involved the almost incidental, by-the-way consequence of reaching Beirut. There both Begin and Sharon believed that the Phalangists would finish the job. Begin expressed the opinion, before going off to confer with President Reagan in Washington, that it would all be over in a few days, even before he had returned to Israel.

THE FAILURE to evaluate correctly the intentions of the Christians was this war's parallel to the misreading of Egyptian moves in the pre-Yom Kippur War period. It was the *mehdal* that begat the *plonter*.

Unlike the Yom Kippur mistake, however, it was the joint handiwork of the chief-of-staff, the minister of defence and the prime minister. Consequently, no one is likely to be called to account. However, it must have strengthened Begin's ingrained reservations with regard to the political acumen of professional soldiers. At the very least, it was they who had supplied the information on which the erroneous assessment was based.

This is the heart of the matter. Begin sees himself as firmly within the classic tradition of parliamentarism, according to which experts, military experts especially, should be kept on tap but not on top. Sharon, on the other hand, has expressed himself in the past as favouring a government of experts. Misreading the facts of American government, Sharon once stated that the American presidential system was an example of the government of experts he advocated.

Actually, American tradition opposes putting political responsibility for military affairs in the hands of the soldiers. When the U.S. Defence Department was established after World War II, with the unification of the armed forces, it was firmly settled that the secretary of defence would be a civilian. The first incumbent, James Forrestal, a banker by profession, jumped to his death from the psychiatric ward of a government hospital, a tragic warning of the dangers of the concentration of power in such a vital area in the hands of any one man.

As Forrestal's successor, President Truman nominated Gen. George C. Marshall. The appointment was vigorously opposed precisely because of Marshall's professional military background. The pro-Marshall forces argued that Marshall's experience, even his military honours as World War II chief-of-staff, was not that of a field commander, but more akin to civilian statesmanship. Since Marshall, the American Defence Department has been in civilian hands.

THE DISADVANTAGE of having a military man as head of the Ministry of Defence is the great unlearned lesson of the Yom Kippur debacle. The Agranat Committee report shows how difficult it is to allocate responsibility when the minister of defence serves as a "super chief-of-staff." How should he be judged? In terms of the political responsibility of his essentially civilian post? This is what the Agranat Committee did in effect with regard to Moshe Dayan. Or should he be judged according to standards of professional competence, such as those applied to the chief of staff, taking into account his military background and his actual intervention in and control over the professional military decision-making process?

Post Yom Kippur War experience reinforces the lesson that having a military man as defence minister fudges lines of authority and responsibility. Were it not for Ezer Weizman's supreme self-confidence in his own expertise and sophistication, it is doubtful he would have opted for a soldier with such severe personal limitations as Raful as his choice for chief-of-staff.

The degree of friction between Sharon and Chief-of-Staff Eitan in the Lebanese campaign is still unknown. Reports of Sharon arriving at the outskirts of Beirut at the head of an armoured column suggest a degree of intervention in tactical matters Sharon could be expected to out-distance Dayan as super chief-of-staff.

But if the Yom Kippur trauma centres in the figure of the defence minister as super chief-of-staff, the Lebanese adventure has posed the additional problem of war by delegation. Professionalize the post of defence minister, regard him as the government's expert in military matters, and that is the inevitable outcome. Israel has no institution like a national security council, in which knowledgeable civilians share decision-making where the big issues are determined.

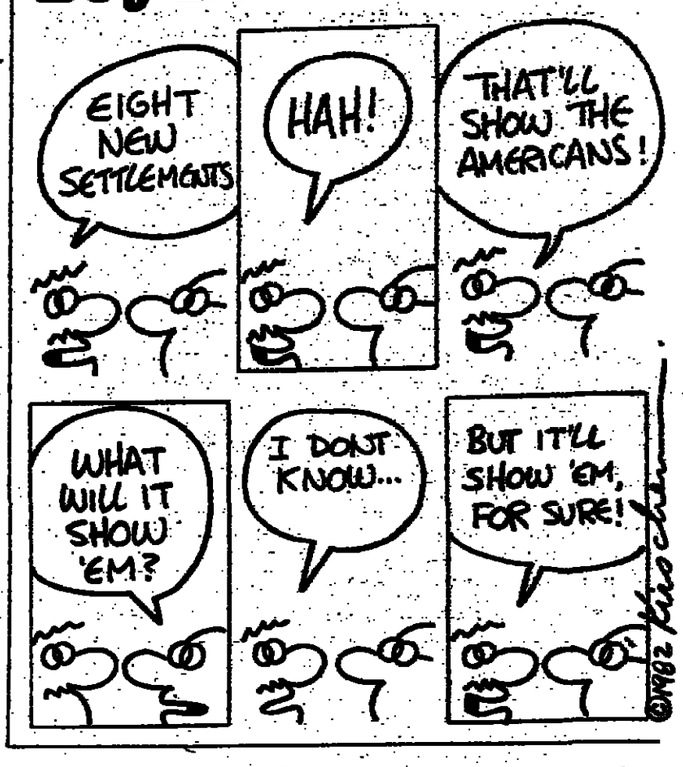
In the West generally, in the U.S. in particular, strategy is an area invaded, indeed dominated, by civilians. That is where Henry Kissinger established his academic reputation, long before his rise to public office. Most of the significant writings on strategy produced since World War II have come from civilians, often contemptuous of the military officers for their backwardness and ignorance, as the leading American academic authority on civilian-military relations, Prof. Samuel P. Huntington, has pointed out.

The so-called "Israeli Kissinger" of almost a decade ago, on the other hand, is a former head of army intelligence, Aharon Yariv. (His role in the recent conflict was limited to reserve service as an army spokesman.) So, too, Sharon's major critic in the Labour opposition is a former chief-of-staff, Mordechai Gur, who has his own hang-ups in the matter of civilian control of the military.

For Prime Minister Begin, military affairs is an area in which an absence of false modesty blends easily with an absence of true modesty. Or, perhaps they alternate, like kissing hands and biting them. But under present circumstances, he may be the best hope that strategic thinking will not be constricted by the intellectual horizons of the strategists.

The writer, a political scientist, is a member of Kibbutz Degania Aleph.

Dry Bones



Complex conflict

By BILL KRITZBERG

SINCE THE beginning of the war in Lebanon, there has been a spate of articles and commentary in the Western press calling for a solution to the "Palestinian problem." This demand is based on the false assumption, now accepted as gospel in the media and Western political elites, that the Arab-Israeli problem as a whole, and the Palestinian problem in particular, is simply a conflict between two nationalisms.

However, attempts to solve the Arab-Israeli conflict are likely to founder, because this simplistic thesis ignores broader trends that have confounded the countries of this region since Moslems and Westerners came face to face in the time of Napoleon. Specifically, modernization, or Westernization, is likely to continue to be a source of friction in the region for some time to come. Indeed, in the Arab-Israeli context, it may be an insurmountable roadblock to peace.

MODERNIZATION in the Islamic countries has been an uneven and difficult process, drawing a different response from country to country and from class to class. Religious leaders, the military, bureaucratic elites, workers and farmers have responded in various ways to this evolutionary process. Nevertheless, almost all sectors of Islamic society have shown deep-seated resentment of the West, intensified by the colonial experience. Since the start of this century, the response to Zionism and later to the State of Israel has been to see a Jewish polity in the Middle East as an illegitimate or "unnatural" extension of the West.

Thus the conflict between Arab and Jew is as much a conflict between two cultures and civilizations as it is a clash between two nationalisms.

In the case of the Palestinian Arabs, political observers in the West who choose to ignore the realities of the situation constantly repeat the cliché that the Palestinians are the Jews of the Middle East. The higher rates of literacy and professional achievement among the Palestinians in comparison to the average in the rest of the Arab world are cited as proof that they of all peoples in the region are suited for a state. This misapprehension is in stark contrast to the realities of poverty, illiteracy and autocratic social and political institutions perpetuated by cynical Arab regimes to keep the "Palestinian problem" alive.

The Palestinian political response has been one of extremism since the beginning of the Palestinian national movement. Palestinian moderates who dared take up the mantel of the movement have thus been few and far between.

After the evacuation of PLO forces from Beirut, it is likely that the Reagan Administration will put forward a comprehensive peace plan for the Middle East, which will include tremendous pressure on the Israeli Government to make concessions in order to solve the Palestinian problem. The Carter Administration took great pains to achieve the same result, embodied in the joint Soviet-American declaration of October 1977.

IT WAS Anwar Sadat's fear of such an approach that led him to make his historic trip to Jerusalem. Before that visit, Sadat frequently said that a final peace between the Arabs and Israel should be left to the next generation. The Carter Administration's ill-conceived approach changed Sadat's mind about making a separate peace with Israel. Only the naive would try to transform the autonomy figleaf, which made an Egyptian-Israeli peace treaty possible, into a full-blown plan for Palestinian self-determination.

Peace will come to the Middle East when Arab-Islamic society reaches a level of modernization and political maturity that would enable it to accept a Jewish State and follow the path of the most developed Arab state in the region, Egypt.

READERS' LETTERS

PASTOR PER FAYE HANSEN

To the Editor of The Jerusalem Post.

Sir, — It is with great surprise and dismay that I read Ya'acov Friedler's article about the alleged financial misdeeds of Pastor Per Faye Hansen of Norway. In the absence of the Pastor abroad your correspondent was fair enough to contact the daughter of the Pastor in Haifa while other newspapers simply published the accusations.

I have known Pastor Faye Hansen since his first visit to this country in 1938. I myself have been active for many years in promoting good relations between Norway and Israel. I am convinced that there is no truth whatsoever in any of the accusations against Pastor Per Faye Hansen. He is an honest, straightforward idealist, who lives in a most modest way, according to the ideas and ideals of Christianity as he understands them. I remember that when he came to Haifa in 1949 and started to build up the Scandinavian Seamen's Church, he was compelled to sleep on the stone floor behind the altar for lack of means.

Moreover, Pastor Faye Hansen is a true and great friend of Israel and an enthusiastic supporter of Zionism.

HAIM WOLLNERMAN
Haifa.

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